

JPRS 84812

25 November 1983

# Latin America Report

No. 2767



FOREIGN BROADCAST INFORMATION SERVICE

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25 November 1983

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## CASANARE OIL FIELD TO PRODUCE 15,000 B/D

Bogota EL ESPECTADOR in Spanish 25 Oct 83 p 10A

[Text] The Casanare oil field in the intendency by the same name will produce 15,000 barrels of crude a day, Rodolfo Segovia, president of ECOPETROL [Colombian Petroleum Enterprise], announced yesterday.

Segovia spoke of the importance of the field and the system of partnership at a ceremony officially opening the Casanare oil field in Yopal.

"The policy of partnership with private capital has recorded constant successes which we are happy to announce. Without it, there would be insufficient resources and technology to survive in the energy field," he said.

The field is being worked by ECOPETROL and the consortium ELF-Aquitaine [Gasoline and Lubricants of France] of Colombia, Houston Oil and Louisiana Land and Exploration Company.

The ceremony was held in Yopal and was attended by ministers of mining, energy and public works, the mayor of Casanare, the president of the French oil company, Michel Pacquer, and other high officials of the Central Government and the intendency, in addition to representatives of ELF-Aquitaine.

Segovia Salas emphasized that once oil production of Casanare increases to the likely level of 15,000 barrels a day, royalties of the intendency will amount to over 250 million pesos a year and those of the municipalities of Yopal, Nunchia and Paz de Ariporo will total 65 million pesos a year.

Concerning the advantages of the oil partnership solution, the president of ECOPETROL said that "it is totally natural, given the troublesome balance of payments and the limited financial resources of ECOPETROL, that in order for Colombia to become self-sufficient in hydrocarbons, it should continue to be oriented -- at least partially -- toward partnership contracts that place all risks involved in seismic exploration and exploratory drilling, the most costly operations, on the back of private investment.

"Only through the broadest possible international cooperation," he added, "will we be able to develop natural resources which, like the hydrocarbons, require more than good will. The complex problems of the modern world require outside

help, without yielding our sovereignty, in order to seek the solutions indispensable to the well-being of our peoples.

"On the day of this opening, the eyes of Colombia are on Casanare. Perhaps tomorrow we shall be incorporating more production fields into national progress. We shall not let up in our efforts. The policy of partnership allows us to accomplish that which without it would be nothing but vague illusions," he concluded.

11,464  
CSO: 3348/39

## BRIEFS

SECONDARY RECOVERY PROJECT ANNOUNCED--In the state of Zulia, Lagoven plans to recover a total of approximately 2.2 billion barrels of oil, mainly light and medium grade, by developing 60 new secondary recovery projects, which will be carried out by the company between now and the year 2000. The operating company of PDVSA [Venezuelan Petroleum, Inc] reported that this will make it possible to increase its production potential by approximately 165,000 barrels per day. This program, begun in 1982, is being carried out at a rate of 3 projects per year. It was reported that its history dates back to the beginning of the 1950's, when Lagoven began gas and water injections in 27 deposits in the western part of the country. The recovery factor increased by 12 percent of the original oil there, thus increasing proven reserves by 4 billion barrels. With these secondary recovery projects, a significant volume of waste water will be injected into the deposits. The waste water is collected in the tank farms at the Ule station in the state of Zulia. This will contribute to the further strengthening of the environmental conservation program being promoted by the company in its operations in western Venezuela. [Text] [Caracas EL UNIVERSAL in Spanish 10 Oct 83 p 2-21] 12351

LIQUIFIED PETROLEUM GAS TANKER--The gas tanker "Paramacay," the second purchased by Maraven, an affiliate of Venezuelan Petroleum, Inc, will join the fleet tomorrow in a ceremony to be held on the docks of the Cardon refinery. A Maraven bulletin states that the "Paramacay," like its twin tanker, the "Yavire," was built in the Wartsila, Turku shipyards in Finland. The gas tanker is 146 meters in length, 22.5 meters in breadth and is capable of transporting 14,000 meters of cargo. Its dead weight is 9,000 tons. The new units were purchased as part of the policy to rationalize operations which was put into effect by Venezuelan Petroleum. Pursuant to this policy, Maraven was designated to manage the maritime transportation of gases in order to meet the requirements of the national oil industry. The gas tankers "Paramacay" and "Yavire," the most modern units in the Maraven fleet, are considered to be in the vanguard of ships of this type. They have been equipped with the most modern technology for transporting liquified gas and carry their cargo at temperatures between 0° centigrade and 42° below zero. [Text] [Caracas EL DIARIO DE CARACAS in Spanish 10 Oct 83 p 43] 12351

CSO: 3348/23

## REACTION TO FIGUEIREDO'S COMMENTS CONCERNING DIRECT ELECTIONS

Sao Paulo 0 ESTADO DE SAO PAULO in Portuguese 28 Oct 83 p 4

[Text] President Figueiredo prefers direct elections to any other type of voting when it comes to picking his successor, according to a statement by Deputy Dioia Junion (PDS-SP [Social Democratic Party-Sao Paulo]). The president reportedly came out in favor of direct elections only in the case of a serious national crisis, according to Deputy Rubem Medina (PDS-RJ [Rio de Janeiro]). The two members of parliament were received yesterday, separately, by Figueiredo and, on leaving his office, made these differing statements on the president's thinking concerning the choice of his successor.

Gioia Junior said that he heard the following sentence from Figueiredo: "I feel that we must think of the hypothesis of direct elections to pick the next president of the republic." He said also that he proposed to the president that persons with executive functions should stay away from the succession struggle as a way to prevent candidacies such as those of opposition governors Leonel Brizola, Tancredo Neves, or Franco Montoro. "The president's receptiveness to that idea was so great that I was rather surprised," the Sao Paulo deputy noted.

Rubem Medina, on the other hand, said that, in his conversation, Figueiredo made it clear that the "serious crisis" situation, which would justify direct elections, does not prevail in the country at this time; but he did not clarify either what that situation would be. "Direct elections would be one assumption but only if there were a deadlock or a very big crisis," the Rio deputy reported; he thought that the president was talking about the economic crisis which he considers to have been resolved.

Medina also reported that he found Figueiredo rather satisfied with the political situation that was worked out on the wage issue since it was not only the technical criterion that prevailed. According to the member of parliament, he believes that the big national issues from here on in, including succession, will be resolved through the political dialogue.

Planalto Palace spokesman Carlos Atila avoided commenting on the two stories on the president's thinking, leaving an element of doubt. "Neither the head of the government, nor Minister Leitao de Abreu gave me any official guidelines as to this matter and I am not going to talk without their express authorization," Atila argued.

PMDB [Brazilian Democratic Movement Party] leaders in Congress preferred to stick with the report from Gólio Junior, emphasizing that they were not surprised by the president's comments on direct elections. Deputies Freitas Nobre (SP), Egidio Ferreira Lima (PE [Pernambuco]), Francisco Amaral (SP), Pimenta de Veiga (MG [Minas Gerais]), and Roberto Freire (PE), among others, commented that Figueiredo makes insinuations on this matter every week. Ferreira Lima recalled some PDS governors publicly disclosed their position in favor of direct voting.

#### "Natural Solution"

One of those PDS governors is Esperidiao Amin, of Santa Catarina, who again in Brasilia, during the meeting of the PDS national directorate, advocated a return to direct elections for the office of president. "All natural solutions are close at hand," he pointed out, asking the following question: "Could there be anything more natural than direct elections?"

Amin believes that only the legitimacy awarded by the popular will can help the republic's future president face the difficulties arising from the social-economic crisis and from foreign debt renegotiation. He thinks that, if present-day governors had not been elected, they would encounter major difficulties in overcoming the popular discontent caused, for example, by the floods in the South and by the drought in the Northeast.

At the PDS summit, senators Jose Sarney and Aloysio Chaves confined themselves to saying that elections would be indirect as provided for in the Constitution. They argued that the deputies and senators were elected last November with the express mandate to pick the successor to Figueiredo. But they admitted that direct voting will inevitably come in 1990 as a result of the political opening process.

Figueiredo himself at other times talked about direct elections, according to several of his conversation partners. Before going to Cleveland, where he was operated on, he told the deputies: "If Maluf is not brought under control, I shall call direct elections. Do you think he will win?" After his return from the United States, he mentioned the matter on various occasions and even during his run-in with the PDS: "I did not ask for coordination of the succession process. Some people came in here and asked me to coordinate it. This is a pain in the neck. It does not come out right." At other times, he gave vent to his feelings: "If I detect that I cannot control Maluf, I will ask Congress for a return to direct elections and I will keep sitting here, only waiting for Tancredo or Brizola to take over."

#### Denial

In Cuiaba, the president of Mato Grosso Assembly, Deputy Ubiratan Spinelli, denied the story imputed to Figueiredo by PDS State Regional Chairman Jose Montelro de Figueiredo on the preference of convention members in the state for Minister Mario Andreazza. "No deputy was consulted and if all of them had been, the panorama would be different," said Spinelli in whose opinion the state assembly delegation is leaning toward Maluf.

Sao Paulo Commerce Federation Jose Papa Junon in turn told President Figueiredo that he launched Paulo Maluf's succession candidacy. A Bahia politician had already reported that Economic Bank President Angelo Calmon de Sa refused to promote a dinner in honor of Maluf--and requested by the latter himself--during his stay in El Salvador.

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CSO: 3342/16

## POLL SHOWS AMIN MOST POPULAR GOVERNOR, MONTORO ONE OF LEAST

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 28 Oct 83 p 5

[Text] Governor Esperidiao Amin, whose administration has the approval of 64 percent of the population of Santa Catarina, followed by Jose Richa, of Parana, with 51 percent, and Iris Resende, of Goias, with 49 percent are the most popular among the governors of the country's ten most heavily populated states. Governors Roberto Magalhaes, of Pernambuco, with only 29 percent approval, and Franco Montoro, of Sao Paulo, with 32 percent, obtained the lowest approval and popularity ratings. Montoro's popularity suffered a drop of 26 points as compared to June, while Tancredo Neves saw his popularity decline by 28 points.

These statistics stem from a survey conducted by the Gallup Institute of Public Opinion in September in 269 cities of ten states, interviewing 2,005 persons on the performance of the governors. The survey discovered an accentuated decline in the popularity of all governors, with the exception of Jose Richa, whose rating has remained steady, as well as the governors of Ceara, Santa Catarina, and Goias--states which were analyzed by Gallup for the first time and which therefore did not have any reference data to earlier surveys.

The survey, conducted quarterly, discovered a decline in the popularity of the governors, with the exception of Jose Richa, who, compared to the prior quarter, held on to a popularity index of 11 positive points, resulting from the difference of the approval and disapproval percentages for his administration. Governors Joao Durval, of Bahia, whose popularity index dropped 31 points, and Tancredo Neves (28 points) showed the heaviest prestige loss over the past 3 months.

#### Decline

The governor approval index was obtained by adding up the percentages of those interviewed who considered the performance of the state governors to be "optimum" and "good." Governor Leonel Brizola with 46 percent of the Rio population's approval and Jair Soares with 44 percent in Rio Grande do Sul, appeared in fourth and fifth places, among the most popular governors. Next come Tancredo Neves of Minas with 37 percent, Luiz Gonzaga Mota with 34 percent, Joao Durval Carneiro with 33 percent; the last two places are held by Franco Montoro and Roberto Magalhaes.

According to the survey, only 6 percent of the Sao Paulo population came up with an "optimum" rating for the job done by Governor Franco Montoro and 26 percent considered his performance to be "good." Disapproval for his administration was expressed by those who consider him to be average (49 percent), poor (6 percent), and very bad (5 percent), while 8 percent of those interviewed did not express any opinion.

Franco Montoro's popularity dropped 26 points compared to the prior quarter analyzed by Gallup. In June, 43 percent of the population approved his administration, while 45 percent disapproved it; this points to a popularity index of 2 negative points. In September, 60 percent of the population disapproved the Montoro administration and only 32 percent approved it. Thus, the Sao Paulo governor's popularity index fell to 28 negative points.

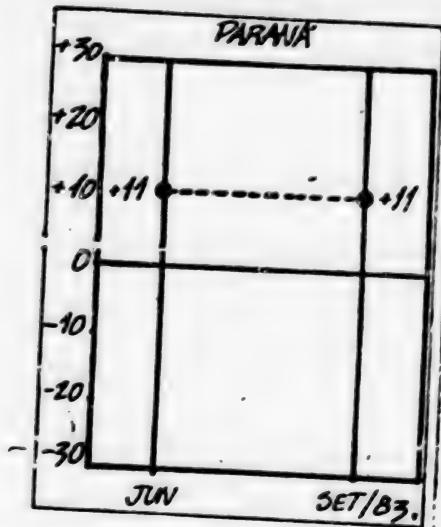
The popularity of Rio governor Leonel Brizola--who registered 17 positive points in June--dropped to 1 negative point in September. During the same period of time Tancredo Neves' popularity index dropped from 15 positive points to 13 negative points and Governor Jair Soares' index slipped from 12 positive to 5 negative points. Parana Governor Jose Richa saw his popularity index stabilized at 11 positive points. Governor Joao Durval suffered the heaviest loss, plunging from 3 positive points to 28 negative points. The popularity of Roberto Magalhaes of Pernambuco shrank from 9 negative points to 30 negative points.

#### Floods and Promises

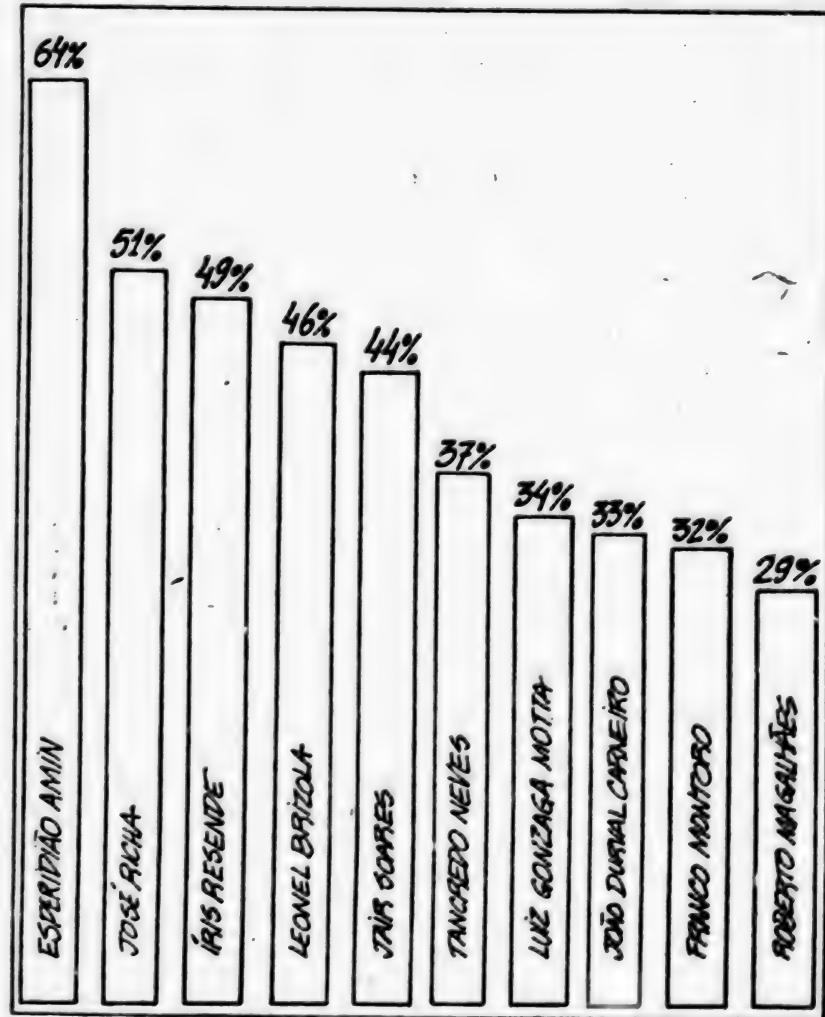
Efforts to get more money from the federal government and to help to rebuild the state, harmed by floods, his opposition rhetoric and ideas considered daring to come from the mouth of a PDS [Social Democratic Party] member--such as his defense of direct elections to the office of president of the republic--plus his striking presence in all regions of Santa Catarina seemed to explain the approval index for the administration of Esperidiao Amin.

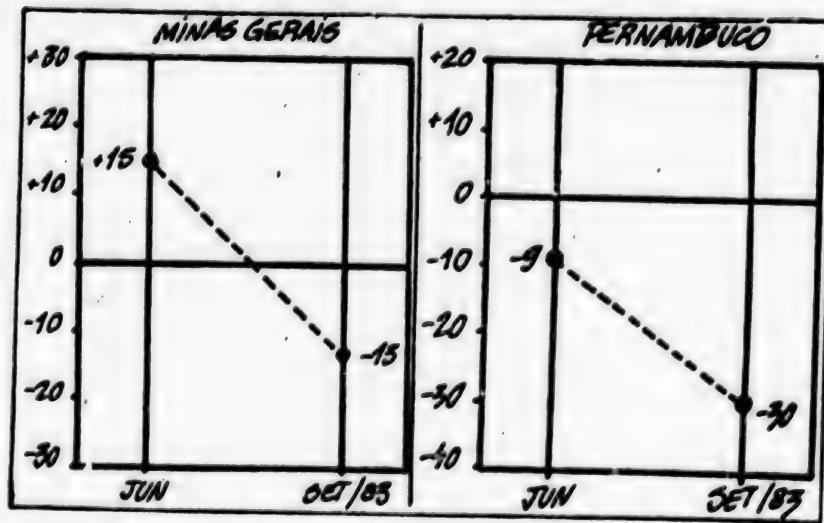
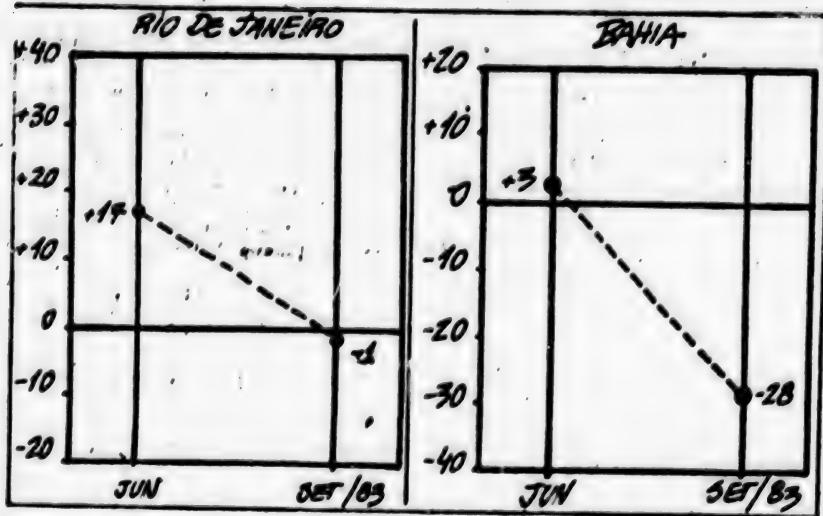
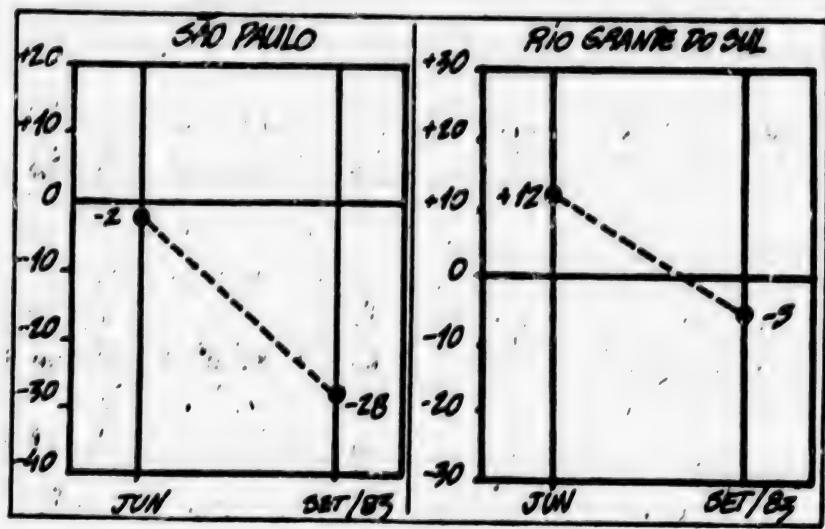
Conversely, the frustration of the electorate, whose members did not experience the specific materialization of the main promises made during the election campaign is the most revealing indication for the popularity decline of governors such as Tancredo Neves, of Minas, and Franco Montoro, of Sao Paulo. In Minas, for example, oppositionists and members of the "ins," frequently accuse Governor Tancredo Neves of making politics "for the outside world," forgetting to administer the state. In Sao Paulo, dissatisfaction with the Montoro government was detected among his own coreligionists.

The strong populist trend which he keeps imparting to his administration explains the good popularity indexes obtained by Iris Resende



Key: SET--September.





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CSO: 3342/16

## TRADE DEFICIT WITH MIDDLE EASTERN NATIONS TOTALS \$2.4 BILLION

Sao Paulo O ESTAO DE SAO PAULO in Portuguese 26 Oct 83 p 27

[Text] The cumulative deficit in the Brazilian balance of payments with the countries of the Middle East during the first 8 months of the year came to \$2,486,000,000, representing 90.67 percent of the negative balance of \$2,741,000,000 recorded during the period with four economic blocs out of the 15 with which the country maintains international trade.

In disclosing the statistical data on the balance of trade for the period of January to August of this year yesterday, CACEX [Foreign Trade Department] revealed that, while Brazilian imports from the Middle East totalled \$3,419,000,000, exports added up to \$1,005,000,000. Until August, Brazilian imports came to \$10,055,000,000 while purchases by the Middle East accounted for 34.72 percent of that total.

The Brazilian trade deficit with the Middle East between January and August 1983 resulted basically from operations with Saudi Arabia and Iraq, Brazil's biggest petroleum suppliers. Exports to Saudi Arabia came to \$236,000,000 while imports came to \$1,439,000,000, giving us a negative balance of \$1,203,000,000. For Iraq, exports came only to \$265,000,000, while imports amounted to \$1,276,000,000, giving us a deficit of \$1,011,000,000.

## Latin America

The second economic bloc with which Brazil had its biggest balance of trade deficit during the first 8 months of this year was Latin America. Exports total \$1,369,000,000 and imports came to \$1,511,000,000, with a negative balance of \$142,000,000.

Out of the 11 economic blocs with which Brazil had a surplus in its balance of trade between January and August of this year, the most important one was the EEC.

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CSO: 3342/16

**CREDIT SUBSIDIES FOR EXPORTS TO BE REDUCED**

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 26 Oct 83 p 27

[Text] In addition to the increase in interest rates on export loan transactions from 60 percent to 70 percent of the change in ORTN [National Treasury Readjustable Bonds], plus 3 percent in real rates as of 2 January 1984, the administration will also reduce the list of those who are to benefit from preliminary financing for the production of manufactured articles intended for export (Resolution 674) and financing for trading companies to acquire goods for exports (643).

COMOR (Public Budget Execution Watchdog Committee) already discussed this measure and considers it essential to contribute to the elimination of the public sector's deficit next year. The problem is that the administration has already cut where it could, including wages, and raised taxes, and it will now mount a frontal attack on credit subsidies, even those intended for priority sectors, such as exports and agriculture.

COMOR was scheduled to hold a meeting at the CACEX [Foreign Trade Department] building today in Rio to review the list of exported products; but the meeting was postponed because of the discussion on Decree-Law No. 2,064. Depending on the progress of negotiations, the administration's chief advisors are going to draft alternate measures. As for the credit bonus for certain products, a reliable source in the financial field asserted that the administration has not made any decision so far although the matter has been discussed within COMOR which is trying to carry out the economic adjustment program worked out with the IMF and foreign creditors. The elimination of the farm subsidy is certain. It is to be carried out next year.

CACEX Director Carlos Viacava yesterday discussed problems connected with exports with Financing Minister Ernane Galveas. Viacava stated that Brazil will, in November, have attained the target of a \$6-billion surplus planned for the entire year. Sources at the Finance Ministry in turn announced that a commercial balance of \$541 million is expected for this month.

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CSO: 3342/16

## IMPORTS DECLINE 27 PERCENT FROM JANUARY TO AUGUST

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 27 Oct 83 p 31

[Text] "The nation's situation is serious and sad but there is a strong tendency toward picturing a rather dark scenario for Brazilian foreign trade whereas we know that, in spite of all of the future difficulties, even in case of a possible moratorium, the country will continue to export and will survive through this adversity the moment we stop all this apologia that springs from despair."

This statement was made yesterday in Rio by Hugo Barros de Castro Faria, economic affairs coordinator, FUNCEX (Foreign Trade Study Center Foundation); he added that "the situation is not as black as it has been painted," since nobody has so far been capable of specifically describing what will happen to Brazil if it does not solve the problems resulting from the foreign debt.

The systematic defenders of the idea of foreign capital as the solution for all of Brazil's troubles--Hugo Faria observed--very often are unfamiliar with or prefer to ignore what Brazil has achieved until now as well as its people's capacity for work. Hugo Faria likewise did not fail to admit that, if the problems get worse and if there should be a deadlock leading to a moratorium, the situation would be considerably complicated. But he believes in the ability of the politicians to arrive at an agreement, thus preserving Brazil's economy and society.

Hugo Faria reminded his listeners that daily domestic news as well as reports coming from abroad show that Brazil's creditors will have to decide by 15 November between their crucial realities: they would have to loan Brazil more money so as not to suffer any losses in their accounts and not to disappoint their stockholders; but, at the same time, they realize that lending Brazil money is like pouring money down the drain since this would confront their stockholders with even bigger losses in the future.

#### Imports

In the opinion of Hugo Faria, just as the country will continue to export, in case of a moratorium, it will not stop purchasing products essential to its activities, either. Imports will be less but Brazil will also be getting ready increasingly to replace items purchased abroad. Between January and August of this year, Brazil imported \$3.03 billion less, representing a drop of

27.32 percent compared to the same period of time last year; that includes products necessary to maintain its production activities. According to Hugo Faria, the country has already reduced its petroleum purchases by \$1.15 billion.

**Comparative Development of Brazilian Imports in Main Product Groups,  
January to August**

Products	1983	1982	(% 83/82) (\$ millions)
Capital goods	1,554	2,245	-30.8
Raw materials	2,220	3,251	-31.7
Inorganic chemical products	101	183	-45.0
Organic chemical products	430	490	-12.2
Cast iron and steel and manu- factured items	115	354	-67.5
Petroleum, including naphtha for reprocessing	5,229	6,383	-18.1
Electrical machinery and equipment	516	824	-37.4
Fertilizer	77	158	-51.0
Copper and manufactured products	82	232	-65.6
Machinery and mechanical apparatus	766	1,179	-35.1
Total	11,090	14,120	-27.32 (*)

(\*) Percentage of total.

Source: FUNCEX.

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CSO: 3342/16

## SPACE PROGRAM TO SUFFER DELAY DUE TO FUNDING SHORTAGE

Sao Paulo O ESTADO DE SAC PAULO in Portuguese 27 Oct 83 p 2

[Text] Brig Gen Lauro Nei Menezes, CG, Aerospace Technical Center, admitted yesterday that the Brazilian space program has run into a delay due to the lack of money during an interview at the Engineering Club of Rio. He said that Brazil will shortly have two of the world's most important space facilities at Barreira do Inferno, 20 kilometers from Natal, now in operation, and Alcantara, to be established by the Air Force in Maranhao.

The satellite, developed on the basis of domestic technology, which was to be launched in 1989 at Alcantara, will be operational only at the beginning or in the middle of the decade of the 1990's under the Complete Space Mission Program, developed by the CTA [Aerospace Technology Center] with the participation of the IAE (Space Activities Institute) and the INPE (National Institute of Space Research), under the National Scientific and Technological Development Council.

According to Brigadier General Menezes, the space program has already paid off for Brazil and the satellite planned in it, based on domestic technology, is not just a distant aspiration within the country's possibilities "since mastery of space technology by Brazil guarantees it the conditions for attaining the objective of having a satellite of its own."

The satellite will be an earth observation satellite and will make it possible to get data for agriculture which are important for the country's economy. At this time, the Space Mission Project is in the phase of the Sonda-IV rocket and will then go on to the satellite launch vehicle.

Brigadier General Menezes stressed the importance of launching the Sonda-III rocket, based on Brazilian technology, in the United States this year. The rocket will be launched by the Americans as part of a space cooperations program.

5058  
CSO: 3342/16

## BRIEFS

MISSILES TO BE IMPORTED--The Navy will import missiles for the first corvettes which are being built as part of its reequipment plan. The information was disclosed by Minister Maximiano da Fonseca during a visit to the DHN (Bureau of Hydrography and Navigation) in the Rio township of Niteroi. This means that the Navy's first four corvettes will not be equipped with domestically produced missiles. According to the minister, there will be no time to make a Brazilian missile for the new warships. The Navy will now have to choose between two alternatives: The first one is to procure missiles with the idea of absorbing the technology and that will enable the country to produce sophisticated armament which could even be exported within a few years. The second alternative would be to purchase foreign missiles and to support the project which AVIBRAS [Brazilian Aircraft Company] is trying to develop for the production of a missile based on domestic technology. In spite of the fact that it is technologically viable, this project cannot meet the Navy's immediate requirements. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 27 Oct 83 p 2] 5058

CSO: 3342/16

## DAILY OPPOSES INTERNATIONALIZATION OF ANTARCTIC

Santiago TERCERA DE LA HORA in Spanish 5 Oct 83 p 2

[Commentary by Gustavo Cuevas Farren]

[Text] 1. It is indisputable that the Soviet Union is the nation which has understood best the importance of naval power as an instrument of world politics. In the past 20 years it has developed a program of naval construction which has made the Soviet fleet a powerful force, capable of intervening directly in support of specific actions toward that superpower's foreign policy objectives.

As a case in point, the Soviet military has introduced recently a new type of submarine which carries ballistic missiles, the largest such craft ever built (25,000 tons), named by NATO intelligence "Typhoon." It is assumed that the industrial areas of the United States comprise the targets assigned to this warship, which, if the moment arrives when it must fulfill its mission, would fire its deadly cargo from two ocean positions: one northwest of Easter Island (for targets on the U.S. Pacific coast) and the other somewhere in the South Atlantic (for an attack on the U.S. Atlantic coast).

However, in order to reach these locations, Typhoon would have to use the routes least exposed to detection and counterattack from NATO, that is, routes which cross the continent of Antarctica, either from the Cape of Good Hope or from Drake Strait.

This troubling and very real possibility demonstrates that the Antarctic has acquired a great important in world strategy, and that its importance is growing, since it is vital for the West to maintain reasonable control over southern ocean straits, and the Antarctic continent is an excellent platform from which this control can be exercised.

It is obvious then that Chile seems directly involved in this situation because of its geographical position, one of the southernmost in the civilized world, a position which naturally implies control and use of the southern oceans.

2. In addition, there are diverse economic interests regarding the southern polar regions and nearby waters, in consideration of the large deposits in these areas of natural resources, renewable and nonrenewable. Among the latter

are the especially large oil and gas deposits, which are considered the greatest reserves on the planet.

If we reflect on the basic importance of hydrocarbons for the economy of the West in general and nearby nations in particular, the problem, regarding oil at least, ceases now to be purely economic and becomes clearly a strategic question, generating new sources of tension, especially the conflict between the interests of states near Antarctica and those of the distant powers which by reasons of superior technological development are more dependent on oil and its development on the one hand, while on the other hand have greater ability to carry out successful exploitation of this resource under adverse conditions such as those which would obtain in the eventual exploitation work in the Antarctic.

5. It is not surprising, therefore, that many nations which earlier showed no interest in Antarctica are now expressing concern about the future of the region, motivated by the approaching date (June 1991) when it will become possible to renew the existing treaty. This was exemplified recently by Malaysia, which with support from the summit meeting of the nonaligned nations, held this year in New Delhi, has requested that the subject of Antarctica be included in the agenda for the current U.N. General Assembly.

On this point it must be noted that Chile, along with the other consulting parties to the treaty in question (which include the two superpowers), carried out an intense and well-conceived diplomatic effort, which unfortunately did not succeed in defeating the Malaysian proposal. This effort, in my opinion, demonstrated the diversity of actors and interests which are now focusing on the Antarctic region.

For all these reasons, I believe that Chile must hold steadfastly to the course of its foreign policy on this point, opposed to any internationalization of Antarctica, which would be contrary to Chile's interests, and must remain opposed also to conduct of discussion of the topic outside the forum constituted by the parties who are members of the Antarctic Treaty of 1959. As Ambassador Fernando Zegers pointed out to the U.N. General Assembly, "Chile is an Antarctic nation by title, historical presence and geographic continuity. Its activities have lasted for over a century, and since Chile is a developing nation, it has contributed and is contributing to the linking of Antarctica with the rest of the world, and to the maintenance of its unique ecosystem. As a founding nation of the Antarctic treaty, as a consulting party and a nation which asserts and exercises sovereign rights in Antarctica, it cannot favor the treatment of a topic stated in such broad terms, and therefore will not participate in the decision, but will expressly hold in reserve the exercise of its rights."

11989  
CSO: 3348/17

**FINANCE MINISTER ADDRESSES FRG BUSINESSMEN ON ECONOMIC POLICY**

Bogota EL ESPECTADOR in Spanish 25 Oct 83 p 10A

[Text] In a speech before 200 German businessmen meeting today in Bonn, Edgar Gutierrez Castro, Colombian minister of finance, announced that his country has given special priority to the energy sector in its development plans and stressed its great interest in obtaining foreign investment.

Speaking at a symposium organized by the Federation of Chambers of Commerce and Industry and associations of industrialists, merchants and banks of the Federal Republic of Germany, Gutierrez Castro said that he is not optimistic regarding the prospects for Latin American regional integration in general and Andean Pact integration in particular.

"A great effort has to be made to reanimate these processes, because they are the first victims of the world recession." The Colombian finance minister is making an official visit to the FRG; he heads a delegation that includes also Jorge Ospina Sardi, head of the National Planning Office, and Gaston Abello, president of the Colombian Confederation of Chambers of Commerce.

Today, the minister called on Friedrich Voss, parliamentary state secretary in the FRG Ministry of Finance, and Otto Lambsdorff, minister for economics. Tomorrow, he will meet in Frankfort with members of the German private banking industry and, afterward, will hold a meeting with the president of the German Federal Bank, Otto Poehl.

**Priority Sectors**

The Colombian official mentioned eight economic sectors as those enjoying priority for foreign investment in his country: electric goods and equipment, electronic products and equipment, industrial and agricultural machinery, steel industry, chemical, petrochemical and carbochemical industry, paper industry and agro-industrial production.

The public investment program for the 4-year period 1983-1986 in Colombia envisages investment in, among other sectors, energy (basically hydroelectric), industry, mining (chiefly coal), transportation, communications and agriculture for a total of almost 10 billion dollars.

#### **Foreign Debt**

The total Colombian foreign debt is likewise at this level, but, with the exception of 1.7 billion dollars borrowed by the private sector for periods of from 180 to 360 days, it is medium- and long-term debt at 8.5 percent interest, Gutierrez Castro said.

The minister announced that the meetings his delegation had in Paris were very fruitful and "this will help in an important way to promote an increase in the flow of capital to Colombia."

#### **Foreign Investment**

Jorge Ospina Sardi, head of the National Planning Office (with ministerial rank), said that, in accordance with Article 24 of the Cartagena Agreement, his government now gives foreign investment more flexible treatment.

12336

CSO: 3348/36

## INDUSTRIAL PRODUCTION DROP SHARPEST SINCE RECESSION BEGAN

Bogota EL TIEMPO in Spanish 24 Oct 83 p 10C

[Article by Jose Fernando Lopez]

[Text] According to the latest figures of DANE [National Administrative Department of Statistics], Colombian industrial production for the first 6 months of 1983 fell 4.2 percent as compared with the same period last year.

This is the largest 6-month drop in industrial production since the recession began in 1980. In fact, between January and June 1982, production dropped 2.75 percent as compared with the same period in 1981 and, in the latter period, the drop was 3 percent as measured against the first 6 months of 1980.

As of the end of June, only six sectors showed positive growth rates: beverages, tobacco, shoe manufacture, other petroleum and coal derivatives, plastics and basic iron and steel industries. Nevertheless, the recovery of some of these is beginning to show signs of weakening.

For example, the tobacco industry, which had registered real growth rates higher than 25 percent during the first 4 months of the year, ended the 6-month period with an increase of barely 1.32 percent. This figure reflects the slow growth registered in May and the drop recorded in June (see graph). In 1982, May and June were the 2 months of relatively highest growth.

Signs of exhaustion (though less accentuated and possibly stationary) also manifested themselves in the plastics industry.

The most stable growth appears to be that in basic iron and steel products, a phenomenon probably associated with the development of public housing programs and the general increase in construction during the first 6 months of the year. The remaining sectors--including textiles, which had shown signs of recovery in March and April--evinced negative growth rates in June. With a real drop in production of 18.13 percent, textiles fared worst of all.

And Recovery?

In the light of these figures, then, there was no industrial recovery in the first 6 months of 1983. What, then, is the explanation for the official

optimism (manifested in President Betancur's last televised speech) and the declarations by some private associations on the beginning of recovery?

Unfortunately, the data on the performance of the industrial sector of the economy only appear 4 months later, so that it is not possible to monitor industrial production closely.

Nevertheless, such organizations as Fedesarrollo [Federation for Development] have managed, through the polling of businessmen's opinion, to keep a finger on the pulse of industry and even to detect harbingers of things to come.

According to the most recent issue of REVISTA COYUNTURA ECONOMICA [Economic Conjuncture Magazine], "although the first 6-months gave very poor results in industrial production and commercial sales, as of the end of the period, sales had stopped getting worse and this stimulated industrial production; whether this trend will continue depends on year-end sales figures."

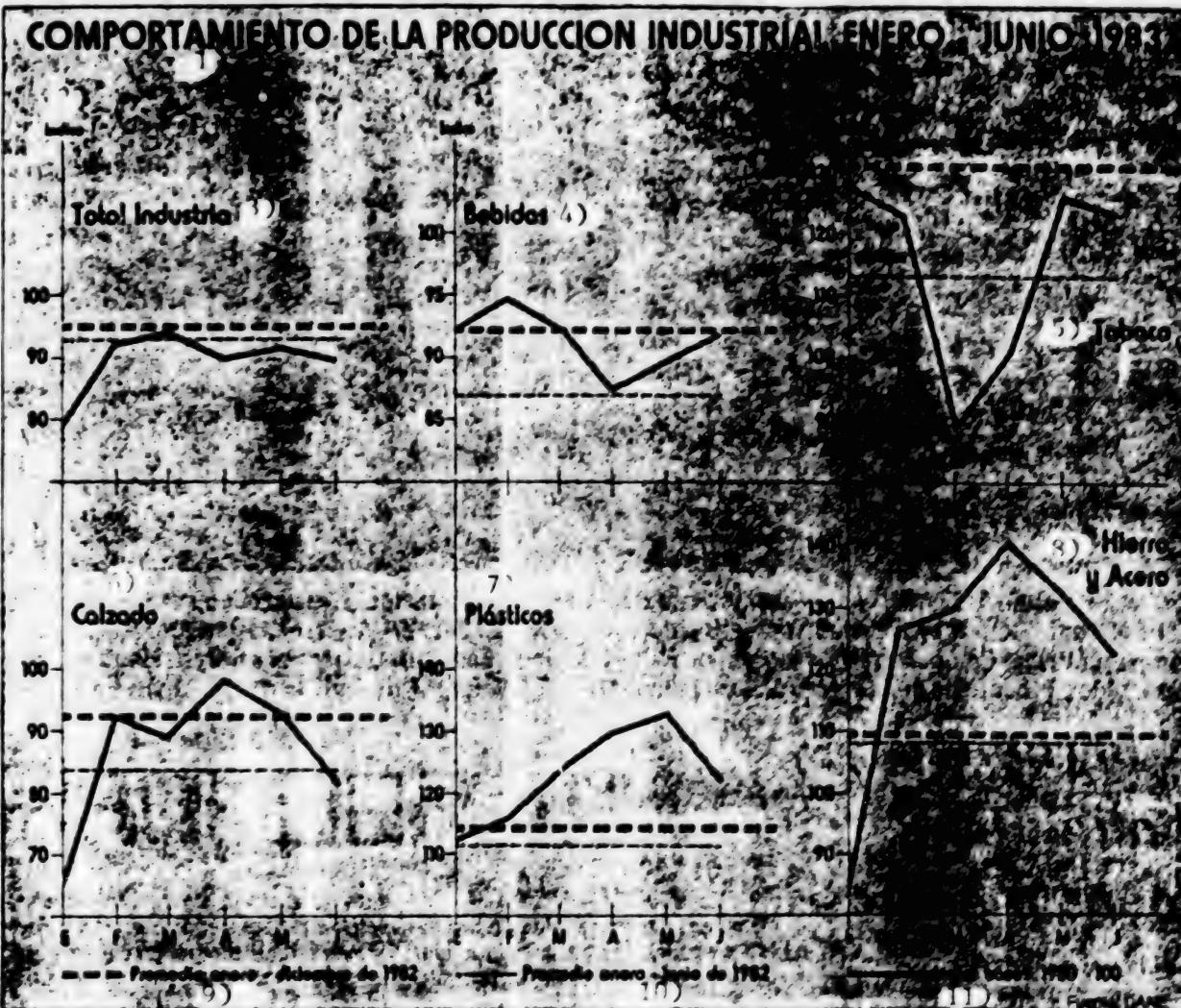
In general terms, the perceptions of the country's economic situation by businessmen themselves, as well as short-term prospects, have become more positive in recent months, which indicates that production is, in fact, recovering.

Another favorable indicator is the evolution of the unemployment rate in the last 3 months. Between June and September, the number of those employed in the country's four principal cities grew by 35,591 and the unemployment rate fell from 12.2 to 11.5 percent.

According to Fedesarrollo, "satisfactory management of the macroeconomic factors during the second 6 month period of this year and next year could result in a continuation of this trend and a positive increase in industrial activity in 1984. The expansion of public expenditures having their effect during the last 6 months of the year and continuation of a reduced rate of inflation could result in 1983 ending without negative industrial growth, despite the drop registered during the first 6 months."

Nevertheless, given the results to date, it will not be easy to avoid a reduction in industrial production for the year as a whole (which would be the fifth consecutive annual drop).

Even those sectors that showed positive growth during the first 6 months will have to speed up production to attain the average production levels of 1982 (see graph).



- KEY:
- (1) Industrial production levels, Jan-Jun 1983
  - (2) Index
  - (3) All industry
  - (4) Beverages
  - (5) Tobacco
  - (6) Footwear
  - (7) Plastics
  - (8) Iron and steel
  - (9) Average Jan-Dec 1982
  - (10) Average Jan-Jun 1982
  - (11) Index (base: 1980=100)

Source: DANE

12336  
CSO: 3348/36

## TRIPARTITE GROUP MEETS TO DISCUSS LABOR REFORMS

Bogota EL ESPECTADOR in Spanish 25 Oct 83 p 7A

[Article by Marcela Giraldo: "Agreement on Labor Reform"]

[Text] The government, private economic associations and three of the four labor confederations reached unanimous agreement yesterday on unifying their efforts and aims to achieve as soon as possible revision of the existing labor legislation, which was described as obsolete, inoperative and a stumbling block to the overall development of the country.

During yesterday's meeting, which was held in the conference room on the sixth floor of the Institute of Social Security, the members of the tripartite discussion group agreed to meet on a permanent basis every other Tuesday, and fixed as the topic of discussion for the next meeting the initiation of a study on the modification of collective bargaining law, based on the draft presented a year ago by the Committee on Reform made up of legal experts.

They also agreed to study, within the Labor Council, the basic social security law, the reorganization of the Ministry of Labor proposed by the present minister, Guillermo Alberto Gonzalez Mosquera, establishment of the National Pension Fund, the unemployment crisis in Colombia and guarantees for the high-risk Sickness, Old Age and Death pensions (IVM), which will have no funds to meet its obligations in 4 years' time.

Both Jose Corredor Nunez, vice president of the CGT [General Confederation of Labor] and president of Utracun [Union of Cundinamarca Workers], made proposals, which were accepted, to the effect that the presidents of the seventh committee (labor affairs) of the Chamber and Senate be present at meetings of the group.

This request is based on the concern felt over the fact that there are two parallel organizations with responsibility for labor questions generally, the parliament and Labor Council, and specifically for the 36 proposals related to labor reforms that are now under study by the two houses of Congress.

Gonzalez Mosquera undertook to invite Carlos Daniel Abello Roca, president of the Chamber's seventh committee, and Federico Estrada Velez, president of

the corresponding committee of the Senate, to the next meeting, with a view to obviating the continuation of parallel actions in the taking of decisions.

#### Inflation Reduced

In his remarks concerning the establishment of the new schedule for meetings of the Council, the minister of labor stressed the urgency of making progress on the Revision of the Substantive and Procedural Labor Codes, the necessity of resolving differences in this matter and the concerted consideration being given the legal proposals on labor questions that are being studied by the two houses of Congress.

He said that fundamental changes and new directions in labor-management relations will emerge from the meetings of the National Labor Council.

He also referred to the basic social security law, sizeable deficit of the National Social Security Fund and meager social security reserves of the IVM and officially announced the reorganization of the Ministry of Labor.

Furthermore, he said that "the creation of jobs through economic recovery being the government's first priority, and also in order to increase the purchasing power of the working class, the indices of inflation must be further reduced to under 18 percent and, in fact, they are being reduced and it is contemplated that inflation for 1984 could reach a figure as low as 14 percent.

"Accordingly, these figures constitute the parameters for the collective bargaining negotiations now under way. In this connection, the minister of finance has been misinterpreted. It is not a question of raising wages in accordance with arbitrarily-set, rigid figures. Rather, salary levels are determined by taking into account the effect of inflation as a basic element in the analysis of prices and wages, supplemented by the effects of government decisions on prices of staples, charges for public services and financial sector interest rates."

#### Employers

It was the unanimously agreed position of the businessmen belonging to Andi [National Association of Industrialists], Sac [Association of Colombian Farmers], Fenalco, Acopi [Colombian Association of Small Industries] and Fedemetal [Colombian Federation of Metal Industries] that it is not the intention of the private associations to reduce the workers' salaries and benefits or take collective bargaining rights away from them, but rather to promote the development of the country.

They deplored the fact that existing labor laws contain serious defects that place obstacles in the way of labor-management understanding, employment possibilities and the economic progress of Colombia.

They said that, within the framework of general policy established by the government, both management and labor should show moderation in their expectations.

They pointed out the importance of maintaining coordinating mechanisms strong and up-to-date as the only possibility for ensuring harmonious relations among the different sectors of national life.

Participating on behalf of the employers were: Jairo Escobar Padron of Andi, Carlos Ossa Escobar of Sac, Juan Martin Cayzedo Ferrer of Fenalco, Carlos del Castillo of Fedemetal, Francisco de Paula Ossa of Acopi and Libardo Leal of the Colombian Association of Engineers.

#### Confederations

The representatives of three of the four labor confederations cited the following as necessary: the application, once and for all, of the agreements with the International Labor Organization that Colombia has signed and ratified, respect for the gains made by workers, a freeze in Institute of Social Security contributions, expansion of social security services to include the families of wage-earners, support for the reorganization of the Ministry of Labor and effective control of the prices of staples and public services.

They denounced the government's wage policy as self-contradictory, since, on the one hand, it advocates wage increases of 14 percent and, on the other, permits increases of, for example, 20 percent in fees.

In a similar vein, they declared that this government has made a great number of promises that it has not kept.

Speaking on behalf of the labor confederations were: Jose Corredor Nunez of the CGT, Victor Acosta Valdeblanquez and alfonso Vargas of the UTC [Union of Colombian Workers] and Manuel Felipe Hurtado of the CTC [Confederation of Colombian Workers].

Aida Avella de Osorio, president of Fenaltrase [National Federation of Public Employees], intervened to demand the right for public employees to belong to trade unions and once more stressed the necessity of the government's establishing a civil service career and signing the decree authorizing mass entry into it. The CSTC [Trade Union Confederation of Colombian Workers] sent no representative, since it considered that the invitation, being addressed to an individual, did not in practice respect its right to be heard.

Finally, two committees were established: one to analyze the basic social security law and the other to serve as a permanent tripartite technical team to keep the members of the National Labor Council informed on developments in the various industrial sectors.

12336  
CSO: 3348/36

**NAVAL BASE CONSTRUCTION BEGINS IN 3 MONTHS**

Bogota EL ESPECTADOR in Spanish 23 Oct 83 p 12A

[Article by Hernan Unas]

[Text] Within approximately three months, construction work will begin on the Pacific Naval Base in Malaga Bay.

The military base, whose cost is 33.7 billion pesos, will be finished in 5 years.

Bidding was opened by the Ministry of Defense on a private basis because the project is related to the country's defense. The three authorized military sources consulted by this newspaper confirmed the opening of the bidding, but categorically denied that any contract had yet been awarded. Among the countries with the greatest option is one American and one European firm. Awarding of the contract will take place in a matter of days and work will begin immediately.

**Youngest City**

In keeping with the outline drawn by the manager of the project, RAdm Jorge Edgar Garay Rubio, the Pacific Naval Base will not only be the main bulwark of our sovereignty on the ocean, but at the same time, will give birth to the newest city in Colombia.

The base, which will certainly become a great pole of development in that region of the country, will attract thousands of Colombian families, who will have all the services of a modern city such as sewage and water, electricity, telephones, roads and sidewalks, churches, libraries and laundries.

Militarily speaking, it will have, among other things, a pier for larger vessels, 400 meters long, and submarine docking facilities. It will also have shipyards and warehouses.

For about 6 months, crews have been on the spot from the Land Facilities Directorate of the Navy, engaging in tasks such as clearing the jungle where the infrastructure will be constructed, earthwork and leveling where the piers will be located.

At the present time, over half of the 70 hectares to be devoted to the base have already been cleared.

The naval base will be built on the northeastern coast of Malaga Bay, some 45 minutes from Buenaventura, the main port on the Pacific.

According to proposals made by those involved in this ambitious project, its purpose is not only military and strategic, but basically for the purpose of protecting more efficiently the country's natural resources, the fishing industry and national sovereignty. Above all, it will help in the effort to promote the progress of this area of Colombia, which to date has lived on the edges of civilization.

#### Highway

Along with clearing and leveling work, the military engineers are building a highway some 110 kilometers long, about 50 of which are already completed. The road, considered the salvation of this region of the Pacific, will link the tiny huts found along the shores of the San Juan and Calima rivers, giving them the opportunity to travel easily to Buenaventura and Cali. At the same time, it will link the resorts of Ladrilleros and Juanchaco, which now have little tourism because of the lack of communication. The residents of the area can only go to the interior of the country by means of long and dangerous crossings of rivers and the sea.

Technical studies were completed by a commission headed by Capt Antonio Tanco, which discarded other sites such as Cupica Bay for functional reasons. The project, which had been shelved for several years, received uncommon support due to the interest of President Belisario Betancur and Gen Fernando Landazabal, minister of defense.

11,464  
CSO: 3348/38

## BRIEFS

SOVIET DELEGATION VISITS--A delegation from the Supreme Soviet (parliament) of the USSR will arrive in Bogota today, headed by Deputy Chairman Ivan Kalin. The members of the delegation were invited to Colombia by the National Congress. It is on a tour of several Latin American countries. Kalin recently told the APN news agency that he intends to dialogue with Colombian congressmen on various international problems, as well as on bilateral relations between both countries. He announced that similar meetings are planned for the future aimed at strengthening relations of friendship and cooperation between the USSR and Colombia. "We believe that the expansion of constructive dialogue on the parliamentary and other levels is in keeping with the interests of our countries and the interest of strengthening universal peace," he said. He emphasized that given the high responsibility of parliaments and parliament members in the cause of understanding between nations and the preservation and consolidation of peace, that function becomes even more important in situations such as the one at present, when the international climate has been drastically worsened. In addition to Ivan Kalin, the delegation will include deputies Iona Kubillus, member of the Public Instruction and Cultural Commission of the Soviet of Nationalities; Dr Lidia Markova, secretary of the Public Health and Social Security Commission of the Soviet; and Victor Dovbush, miner by profession and a member of the Public Instruction and Cultural Commission of the Soviet of the USSR. The delegation will be in the country until 29 October.

[Text] [Bogota EL ESPECTADOR in Spanish 25 Oct 83 p 15A] 11,464

SUSPECTED ELN MEMBERS RELEASED--On Friday, as a result of orders from Police Penal Inspector 16C Luz Stella Camargo, the eight students and three presumed members of the ELN [Army of National Liberation] arrested by police on a charge of participating in the serious disturbances occurring on 7 October in and around the University City were released. Those disturbances resulted in the death of young Yezid Francisco Gonzalez Parales, in the sixth semester of architecture at the National University. The inspector decided to release the prisoners because of insufficient grounds to detain them. However, they must report to her office every week. The curious part of the case is that the youths were not turned over to Judge 51 of the criminal Courts, Alvaro Montenegro Cardenas, who was specially commissioned to investigate the tragic events during which, as this newspaper duly reported, police were shot at by the demonstrators, an unprecedented event in the National University. Several police officers, two students and one reporter were wounded. In that very criminal court yesterday, the guard at the Model Jail, Felix Ordonez, testified

that on the day of the incidents, he was attacked in front of the University City by a group of young people wearing masks. After beating him, they took his service revolver, a weapon most certainly among those used to attack police. Those released were Tarcisio Parara Mora, Luber Zamora Ocampo and Argemiro Burbano Ortiz, who are said to belong to the ELN, and students Ivan Luna Campo, Mario Enrique Rozo Sanchez, Carlos Ignacio Cediel Mateus, Harold Cardona Toro, Jose Custodio Angel Tenjo, Jose Didier Patino Valdes, Gabriel Eliseo Triana Zarate and Reinaldo Mateus Reyes. [Text] [Bogota EL ESPECTADOR in Spanish 25 Oct 83 p 15A] 11,464

CSO: 3348/38

**FOREIGN DEBT GROWS BY \$250 MILLION IN 14 MONTHS**

San Jose LA NACION in Spanish 19 Sep 83 p 8-A

[Text] The foreign debt of Costa Rica increased by \$250 million from 30 April 1982 to 30 June 1983, according to the figures of the Ministry of National Planning and Economic Policy (MIDEPLAN). The indebtedness of the public sector to date has reached \$2.742 billion, hence the new obligations incurred during the aforementioned period represent 10 percent of the total amount.

The national banking system was responsible for \$150 million (60 percent) of the recorded increase. The second largest borrower was the central government with approximately \$60 million, which represents 24 percent of the increase. In third place are the corporations with state participation with \$24 million, i.e., 10 percent; and in last place are other public-sector organizations with \$16 million, i.e., 6 percent.

In the national banking system, the Banco Central was the institution that increased its foreign indebtedness the most with an increment of 57 percent, while the commercial banks did it by 3 percent.

**The Reason**

According to a MIDEPLAN report, the issuing institution is liable for the largest portion of the foreign debt because it arranges the credit and transfers the funds to the commercial banks or other state organizations. It was asserted, moreover, that it is because it support activities aimed at the financial stabilization and economic recovery of the country, and the development of energy resources.

The debts of the central government originated from the purchase of staple grains, the implementation of infrastructural works for ongoing projects, the construction of secondary roads, and contributions in the national compensation of credits of international organizations.

Among the organizations known as corporations with state participation, the Costa Rican Oil Refinery (RECOPE) stands out as having incurred the largest debt, which represents 10 percent of the total increase of the indebtedness, mainly due to the import of hydrocarbons. Other organizations of the same type

reduced their indebtedness except for the Development Corporation, Inc (CODESA), which augmented it by \$263,000, i.e., 1 percent of the total increase.

As to the organizations that make up the rest of the public sector, it should be noted that the Costa Rican Electricity Institute (ICE) got the most funds with approximately \$13 million, i.e., 5.2 percent of the total amount.

#### Different Stages

According to the MIDEPLAN, a total of \$51.9 million of incurred indebtedness distributed in eight loan agreements have already been duly approved by the Legislative Assembly. There are another eight credits for \$116 million waiting to go through the same procedure, and an additional five credits for \$66.7 million that still have not been sent to the Legislative Assembly.

At the time of the analysis, the national banking system had the highest amount of foreign obligations with \$1.25 billion. The Banco Central is liable for \$875 million of that amount.

The central government's indebtedness amounts to \$875 million.

8414  
CSO: 3248/61

**SEPTEMBER FIGURE FOR DOCUMENTED REFUGEES EXCEEDS 11,000**

San Jose LA NACION in Spanish 18 Sep 83 p 4-A

[Text] The number of refugees registered with the Migration Office, which handles these cases, totals 11,464. Margarita Morales, head of that agency, stated that the figure could be larger inasmuch as it is estimated that many persons who enter the country without documentation fear to report to the authorities. She noted that the majority of the registered refugees are Salvadorans (more than 6,000), but there are also Nicaraguans and Cubans.

Morales did not rule out the possibility that with the arrival of more Nicaraguans in the past few days, the number of refugees could augment by 1,000 or 1,500. She explained that they generally come to Costa Rica overland, entering through Penas Blancas, and do not bear documents.

Those persons are transferred to the transient centers at Tilaran, Guanacaste, or at Pueblo Nuevo, Limon. It is assumed that those places will continue to exist for a certain time, but Hilda Porras, of the National Refugee Commission (CONAPARE)--which is composed of representatives of various government institutions--considered that the main problem being faced at this time is the lack of funds to promote agricultural or agroindustrial projects that will provide work for those people, as well as a place to live.

**Emergency**

Porras characterized the situation as an emergency because she asserted that it is indispensable that Costa Rica secure foreign financing to purchase lands that will make it possible to carry out those projects, which would also benefit the nationals.

Spokesmen of the UN High Commissioner for Refugees (UNHCR), who asked not to be identified, stated that that organization is willing to collaborate with the Costa Rican Government in a joint program to benefit not only those who ask for asylum in the country, but also the nationals, provided that the state will furnish the lands. They explained that a similar situation arose in Belize, and the international organization provided the financial resources to carry out the necessary infrastructural works to promote an agricultural project on a farm that that government furnished.

The informants asserted besides that the UNHCR grants the country an annual allocation of approximately \$3 million to defray the expenses of food and medicines for the refugees.

Porras, however, commented that foreign resources are urgently needed at present to purchase 300-acre farms. She explained that some available lands of the Agrarian Development Institute (IDA) pose problems because they lack water and electricity, or are not suited for the project.

She said that the situation is so difficult that the CONAPARE will meet next week to look into the problems of the refugees groups, which are already enormous.

That agency also requested of the Migration Office a report about the number of persons who have registered and other data that are indispensable to make any decision. Porras stressed that the majority comes in with health problems such as diarrhea, malaria and others. She also commented that they are generally broken-up family groups because women and children are greater in number.

The official finally said that the authorities have not given the refugee problem the proper attention, and it is necessary that a decision be made as soon as possible.

8414  
CSO: 3248/61

COUNTRY SECTION

COSTA RICA

BRIEFS

NEW OIJ DIRECTOR--Lawyer Minor Calvo Piedra was designated the new director general of the Judicial Investigation Agency (OIJ) yesterday. The appointment was made by the magistrates of the Supreme Court of Justice and goes into effect on 1 October. It was found out that lawyer Calvo, who is currently the assistant director of the OIJ, is in the United States. The purpose of his trip to that country is not known. The judicial sources did not indicate if the court had also decided who will replace Calvo in the assistant directorship. Among other members of the legal profession whose names were mentioned as candidates to the assistant chief's post are Carlos Villalon, present secretary of the OIJ; Carlos Jensen Pennington, prosecuting attorney; Fernando Cuadra Martinez, chief of the Alajuela OIJ office; and Gerardo Madriz, who is also connected with the Judicial Power. Lawyer Calvo assumed the assistant directorship of the OIJ in July, when the magistrates dismissed lawyer Rodrigo Araya Pacheco. [Text] [San Jose LA NACION in Spanish 20 Sep 83 p 10-A] 8414

CSO: 3248/61

**OSPAAL EXPRESSES 'TOTAL SUPPORT' FOR GUATEMALAN REBELS**

Havana GRANMA WEEKLY REVIEW in English 23 Oct 83 p 11

[Text] On the occasion of the International Day of Solidarity with the Guatemalan People, the Organization of Solidarity of the Peoples of Africa, Asia and Latin America (OSPAAL) expresses its total support for the struggle which the revolutionary and progressive forces of this sister country are carrying out under very difficult conditions. The Guatemalan people's hopes for a better future were dashed in 1954 when mercenaries armed, supplied and led by U.S. imperialism overthrew the progressive government of Jacobo Arbenz. Since then Guatemala has been ruled by the most reactionary forces, a succession of corrupt and genocidal governments that have used crime and terror in their attempts to stifle the people's cries for freedom and justice.

Repression has been systematic, affecting all sectors of the population: workers, students, clergy, small farmers, and ethnic groups, achieving a sad notoriety for the extreme brutality of the massacres committed and the veritable genocide perpetrated in applying a "scorched earth" policy. Another aspect of this policy is the creation of the so-called "model villages." These are actually concentration camps where the survivors of the "scorched earth" program are imprisoned. Making a mockery of all ethical and moral principles, the military government uses these defenseless peasants as a protective barrier during armed confrontations. Caught between the crossfire, the victims are then presented as guerrilla casualties in an attempt to mask the true nature of the struggle.

Despite all this, the Guatemalan people have for many years now given repeated proof of their unshakable determination to fight. The best of them have valiantly and tenaciously confronted those who have served as cat's-paws of imperialist interests. They have given their oppressors no respite in the struggle, laying a sure path to victory with their blood and heroism.

OSPAAL takes this opportunity to ask all progressive, revolutionary and peace-loving forces to voice their most determined and urgent support to the Guatemalan people and their fighting organizations that are confronting tyranny bravely and at great sacrifice.

Executive Secretariat  
OSPAAL

CSO: 3200/4

## BRIEFS

WEEKLY FLIGHTS TO FRG--Bonn (PL).--The forthcoming start of special weekly flights between Cologne and Havana will usher in a new stage in tourist travel from Western Germany to Cuba. The inaugural Cubana Airlines charter flight on an IL-62M will be on October 22, initiating a substantial increase in the tourist flow from the Federal Republic of Germany and neighboring countries to Cuba. Alberto Rodriguez Abella, executive director of these flights, told Prensa Latina that nearly all available seats had been sold in advance. The flights will enable over 4000 more tourists to visit Cuba, in what has been a growing trade recently from this European region. According to Rodriguez Abella, the main tour operators for this new route are TUI, Hansa Tourist, Intratour & Istour, all in the FRG, and Holland International, in the Netherlands. Twenty-seven flights are scheduled up to April 27, 1984, when the intensive season will end. Tourist packages include trips lasting seven, 14 and 21 days at Varadero Beach or touring Havana, Pinar del Rio, Guama, Cienfuegos and Trinidad, or a combination of both. As of May 1984, Cubana Airlines will fly twice a month to Cologne, whose international airport also links the federal capital with the rest of the world. Marino Zamora, a Cuban Institute of Tourism representative in the FRG, told Prensa Latina that roughly 4000 West German tourists visited Cuba in 1982. Of these, 825 came on tours similar to the one that will now be using the charter flights starting this month. In the first half of this year, 601 tourists came to tour Cuba, and the number is expected to double before the end of the year. The importance that is being increasingly attached to trips to Cuba is reflected in the ad published by TUI in the leading Hamburg magazine STERN, that reproduced Cuban postcards along with a highly attractive offer for a 13-day stay at Varadero Beach's Kawama Hotel for just 1985 deutsche marks. [By Jose Dos Santos] [Excerpt] [Havana GRANMA WEEKLY REVIEW in English 16 Oct 83 p 3]

CSO: 3200/4

## PENA GOMEZ BLAMES UNDERDEVELOPMENT FOR PRD CRISIS

Santo Domingo EL CARIBE in Spanish 3 Oct 83 pp 1, 4

[Article by Luis Tejeda]

[Text] Dr Francisco Pena Gomez stated that the crises which have shaken the PRD [Dominican Revolutionary Party] are a product of "our cultural underdevelopment" and said that similar situations exist in all sectors of the country "because it is a condition of the Dominican people."

Pena Gomez asserted that internal conflicts from which the government party suffers is not something new and stated that since the past century all existing political groups have faced crisis situations.

As a proof of his commentary, the PRD leader and representative from the National District revealed that in the last general elections in 1982 the PR [Reformist Party] "was at the point of winning the elections" and explained that their triumph did not materialize "because Dr Belaguer felt obliged to relinquish his position and in so doing he used up a month in an internal and lacerating dispute which paralyzed him in the National District."

Pena Gomez referred to the origins of his party's struggle when he appeared last Saturday on the Postdata program produced for Teleantillas by the journalist Antonio Emilio Ornes, executive director of this newspaper.

He stated that in the past, PRD also was the scene of internal struggles but they did not have the force of former times "because in the past the PRD was a strongman party."

Pena Gomez also rejected criticisms against the government party made by the former president and leader of the PLD [Dominican Liberation Party] in the sense that PRD members wanted power to solve their personal problems.

In that sense the government political leader characterized as "utopian" the criticisms of Prof Bosch and said that "certainly" a great many activists and leaders of PRD struggle "to better their living standards."

He added that certainly many of the recent problems within his organization are due to the fact that there are "discontented members because they were not considered for a job" and he stated that that happens in all mass parties.

He admitted that "a great part of PRD is in fierce opposition" to the government headed by Dr Salvador Jorge Blanco and he attributed it to the fact that in the two periods when PRD was in power the winning groups have given little participation to their rivals, despite belonging to the same organization.

He revealed that in order to reduce group struggles to the minimum, he proposed in the last meeting of PRD's national executive committee the signing of an agreement "to bring about a climate for peace, harmony and confidence among members of PRD."

Pena Gomez thought that the internal struggle in the PRD "has been out of control due to our amateurish democracy" but he defended it pointing out that "it is not an exclusive problem of PRD, but the PRD is composed of Dominicans and we Dominicans are equal in any party in which we are members."

He said that conflict situations also exist in the big parties in the United States, Republican and Democratic, despite "more than 200 years of democracy."

The capital representative and political leader said that, apart from the party's internal problems such as they are, "the PRD arrived in power late. We have taken power at a time of crisis."

Pena Gomez stated that Dr Balaguer "will go down in history as a statesman, as a political teacher who did extraordinary things" but he admitted that when it was time for the reform leader to govern in the midst of a crisis period, "that finished the prestige and political power of Dr Balaguer."

The director of the official party stated that "the big trouble and stumbling block of PRD has been getting into power in a period of crisis, when it becomes very difficult to fulfill the expectations and aspirations of the electorate."

Pena Gomez stated that the world economic crisis has made it impossible for his party to undertake specific development plans, although he declared that "I believe that we have contributed very much in strengthening democracy."

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CSO: 3248/88

COUNTRY SECTION

DOMINICAN REPUBLIC

BRIEFS

NEW FORESTRY POLICY--It is the opinion of the executive director of the Sierra Plan that the deforestation problem will be solved only when the problems of those residing in wooded areas are solved first. The director of the Sierra Plan spoke about an alternative to development at a seminar which began yesterday morning in the Madre and Maestra Catholic University. Santos emphasized in the seminar that there is no recommendation which can be made to resolve the Dominican forestry problem, which is not contained in Dr Jorege Blanco's speech of 11 August. Santos stated, "The new forestry policy set forth by the chief of state has what are to me the four principal aspects for a change in attitude." First, it contains the directive to create credit and tax incentives. Second: it contains the directives on the functioning of institutional mechanisms necessary for the control of the use of timber lands, including the coordination between institutions and citizen participation. Third: It contains a basic directive to design mechanisms to bring the mountain people into forestry work, which would provide them with a stable way of life. And fourth, it contains an appeal to patriotic sentiment and to the supreme obligation of political parties to feel as committed as the government itself in the physical reconstruction of the country, in an area as vital as it is transcendental. [Excerpts] [Santo Domingo LISTIN DIARIO in Spanish 1 Oct 83 pp 1, 20]

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CSO: 3248/88

**FUN LEADER SEES CRISIS DIRECTLY TIED TO SUPERPOWERS**

Guatemala City DIARIO EL GRAFICO in Spanish 6 Oct 83 p 5

[Interview with G. Ciron Ortiz, general secretary of the Nationalist United Front [FUN]]

[Text] "No change is foreseen in the political order after the removal from office of the head of state, which took place in August of the current year, when Gen Efrain Rios Montt was deposed," said lawyer Gabriel Ciron Ortiz, general secretary of the Nationalist United Front, in statements made to DIARIO EL GRAFICO concerning current political matters.

The leader added: "Reforms of the political laws do not change at all the intense suffering that must be endured by the parties that struggle to be registered once more and by the new committees, which find the law of political organizations to be a repetition of what could be called the three blunders, inasmuch as the same procedures dealing with the registration of political organizations are repeated three times. And this can be proved by three articles of the specific law, which are, respectively, Articles 38, 139 and 194."

EL GRAFICO: What, specifically, do the articles of the laws that you refer to say?

Ciron Ortiz: Article 38 refers to the formation of a provisional directorate for the purpose of forming a political party. Article 139 refers to the legalization of the same provisional directorate through a series of requirements repeated in Article 149, which combines the same provisional directorate, the projected statutes and the ideological principles of the party to be formed.

These are the obstacles dealt with by the army's proclamation of 8 August of the current year, in which it states that a small group of people were trying to remain in power; and with the confirmation of the notorious agenda for the elections of the Constituent Assembly, it can be perceived intuitively that everything remains the same politically.

On the other hand, it is an indisputable fact that we are under the political, economic and military influence of the United States of America, and that undoubtedly due to the existing confrontation between that country and the Soviet

Union taking place in the region of Central America at the present time, the United States is interested in hastening the elections in the country to avoid problems of an internal nature that might distract from the military actions in Central America with which they are keeping us occupied in order to achieve their own supremacy in the region.

EL GRAFICO: Can we then deduce that the origin of the convulsed and uncertain crisis in Guatemala is not only its domestic situation?

Giron Ortiz: Actually, the external pressures, especially those from U.S. imperialism, are the ones that have hindered the economic, political and social development of the Guatemalan people, since the meager aid given to us has always been designated for projects of infrastructure, with the resulting indebtedness that in the long run has brought more tax obligations to the citizens in general, like the notorious value-added tax (IVA).

EL GRAFICO: What should be the behavior of the United States in relation to Guatemala and the rest of the economically dependent countries?

Giron Ortiz: Instead of engaging in bickering among brothers, we should secure a large-scale aid [package] for technical, economic, educational, health and agricultural development; inasmuch as the countries in the area are primarily agricultural, we should be helped to become a center of food production, to supply our own needs and to export our products to industrialized nations.

EL GRAFICO: Initially there were talks of external pressures. Do organizations such as CONDECA [Central American Defense Council] have anything to do with this?

Giron Ortiz: Regarding military influence, there is no doubt that CONDECA is part of the U.S. strategy to defend the isthmus from Soviet intervention, since the economic, political and social destabilization created in Central America and South America by Cuba and Nicaragua and directed by the Soviet Union cannot be denied. There is an agreement among Latin American countries for the defense against Marxist intervention, and for this reason no country can be free from the turmoil we are encountering at the present time, inasmuch as all these countries are aware of a plan known as the Northern Triangle, which has to do with the Marxist intervention in Guatemala, El Salvador and Honduras, and from this comes the justification for the last meeting of CONDECA in Guatemala, where the subject of what strategy to adopt in order to inhibit aggression from abroad by the Soviet Union was no doubt discussed. And we Guatemalans should not spare any effort to support the actions of our army in this regard.

Therefore, in view of the obvious aggression inflicted on the Latin American countries by the Soviet Union, we cannot talk here of neutrality, inasmuch as each of these countries has been subjected to economic, political, military and social destabilization since 1979, the ultimate objective of which is to seize them and convert them to socialism.

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CSO: 3248/67

**ARMY BRIEFS JOURNALISTS ON RECENT SUBVERSIVE HISTORY**

Guatemala City PRENSA LIBRE in Spanish 4 Oct 83 pp 6, 48

[Text] During the 1976 earthquake many organizations, posing as help organizations, arrived in the country to give ample support to subversion, according to what army officials said yesterday during a press conference held before White House accredited foreign reporters who are visiting Guatemala.

The 13 reporters of different nationalities who reside in Washington were able to hear about the situation prevailing in Guatemala during 1981, at the auditorium of the Institute for Military Aid (IPM).

With the aid of slides an army captain talked about the state of subversion in Guatemala and the development and military programs being carried out with the objective of encouraging progress in the sectors that had been slighted for a long time.

The speaker mentioned the progress achieved by the rebels in the country, given the unification of the clandestine groups EGP [People's Guerrilla Army], PGT [Guatemalan Labor Party], FAR [Rebel Armed Forces] and ORPA [Revolutionary Organization of the People in Arms].

In 1981 the subversives were able to take advantage of the discontent existing in many of the neglected sectors to create their local groups.

He specifically mentioned the place known as the Ixil Triangle, which had been one of the most fortified places of the antigovernment groups that were finally thwarted and eradicated, thanks to the great counterinsurgency operations carried out by the army in 1982.

The speaker went on to say that for various reasons, Chimaltenango was one of the districts most coveted by the subversives. For example, for using the municipality of San Martin Jilotepeque, where 90 percent of the population is Indian and for the most part lacks secondary education, as a center and strategic base for dealing with different problems.

They used Chimaltenango because from there it is easy to communicate with El Quiche and with Alta Verapaz, as well as with the capital. According to

military investigations this district was the first one the rebels were going to declare liberated territory.

Nonetheless, the army set into operation the counterinsurgency plan "Victory 82," which permitted the substantial eradication of the subversives who had infiltrated various organizations in Chimaltenango.

The captain also explained to the visiting reporters the way in which the government now fights the antigovernment elements.

He talked about projects Tortilla, Roof and Work (TTT), Shovel and Mattock (PP), Rifles and Beans (PF) and others initiated in 1982.

He stated that the increase in subversion during 1981 was due to the support that the subversive factions received from abroad through supposed assistance organizations that entered the country during the 1976 earthquake, taking advantage of the opportunities provided by border stations.

To a great extent, he continued, the army has been able to thwart organized insurgency. For this it depends on the support of 500,000 civilian self-defense patrolmen.

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CSO: 3248/67

**ARMY SPOKESMAN COMMENTS ON SIGNIFICANCE OF CONDECA**

Guatemala City PRENSA LIBRE in Spanish 5 Oct 83 p 12

[Text] Army spokesman Francisco Djalma Dominguez reported yesterday that Guatemala has a munitions factory that could bring about some sort of standardization of ballistic climbers among Central American armies.

The soldier commented on the importance of the reactivation of the Central American Defense Council (CONDECA), the primary objectives of which are limited to inhibiting the advance of Marxism-Leninism.

He explained that the members of this organization will meet shortly, because it is necessary to make decisions to try to curb communism for the good of the people of the isthmus.

Djalma said that the next meeting should take place soon "because we have a problem to solve." Let us now seek friendly, harmonious, coordinated and standardized ideas in order to present a common front.

CONDECA Is Not Trying To Destabilize the Sandinists.

PRENSA LIBRE asked Col Djalma if one of the objectives was also to collaborate in the destabilization of the Sandinist regime, accused of exporting subversion in the area.

The military spokesman answered: CONDECA was established as defensive in character, it has never been offensive. To tell Nicaragua to be prudent, he went on, would be to adopt a paternalistic attitude.

I would say that CONDECA's attitude is an admonishment: "Please do not bother us." The organization in question, being part of Central America, could also include Nicaragua, but that country would have to return to the democratic way and join the struggle against Marxism-Leninism.

CONDECA is an open forum for all the Central Americans, and Nicaragua is a Central American brother. Of course, we are talking about Nicaragua as a country, not as a government. By this I mean that it is possible that at this point a government anywhere in the world could adopt an attitude alien to

Central American interests. Sooner or later we all return to the fold, because we feel the warmth of Central America in our blood.

About the Arms Factory

At no time, he continued, could we attempt to establish an arms factory to confront the Sandinist problem.

I have said that because of the diversity of the existing weapons we have different ammunition. So it is necessary to have a single standard caliber.

The logical thing would be, for example, if Guatemala has a munitions factory, why not place this ammunition we have at the disposal of Central America?

I have not said that it is necessary to build a factory. We have a munitions factory, concluded Col Djalma Dominguez.

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CSO: 3248/67

## BRIEFS

NEW PACIFIC PORT--Guatemala's new Pacific port offers safety for navigation and for the unloading of merchandise even while in its final stage of construction, said engineer Marco Antonio Mereda, associate director of the Executive Unit of the Port Complex on the Pacific Coast (UNECPA). He made this statement, according to commentaries made by some automobile importers, in relation to the fact that the wharf does not have warehouses and other indispensable services for the unloading of motorized units with four or more wheels. Engineer Merida says that the new port has the appropriate administrative services as well as the requisites to give good service; as an example, he said to date precisely 353 vehicles of different sizes have been unloaded and the roll-off or ramp the port depends on for unloading them was used. It has been said that the unloading in the new port could cost from 21 to 25 quetzals more than in Acajutla, depending on the size of the car, to which engineer Merida answered that it could possibly be due to maritime freight but not to the wharfage, inasmuch as the tariffs are practically the same in the port of Acajutla, in the sister republic of El Salvador. An official from UNECPA explained that the new port has billed more than 1.5 million quetzals to the shipping companies that have used its wharves, which places us in a preferential position. Engineer Merida estimates that even the importers of automobiles would benefit from using the new San Jose port if the factor of a distance of only 100 km to the capital is taken into consideration, in addition to the safety for the new imported units. For now, some importers bring their vehicles from Japan, but they unload them in the port of Acajutla, where they place them in trailers called "tacuacineros" and bring them to Guatemala. Finally, engineer Merida said that towards the end of 1984 the new San Jose port will be completely finished to accommodate the traffic expected at the present time, but of course it will continue developing in accordance with future needs, whereby he affirms that the port can be used with the safety required for any situation. [Text] [Guatemala City PRENSA LIBRE in Spanish 5 Oct 83 p 16] 9907

VOTER REGISTRATION GOALS--About 3 million citizens must be registered in the country during the November-May period so that they can vote in the election of Constituents, which will take place next July, said the director of the citizens' registry, lawyer Mario Guerra Roldan. The registration of citizens must continue until the end of May, and I do not believe that 3 million [citizens] can be registered by that date, because the registration must be done personally, specifically and directly, he said. We expect, he continued, to have accomplished the registration of an acceptable and representative number of citizens by the end of May. [Text] [Guatemala City PRENSA LIBRE in Spanish 4 Oct 83 p 6] 9907

**ARMED FORCES CREATE EMERGENCY INFORMATION CENTER****'Suspicious' Activities Reported**

San Pedro Sula TIEMPO in Spanish 23 Sep 83 p 7

[Text] In order to preserve national security, the Armed Forces of Honduras, through the Public Security Force, has established the Emergency Information Center (CIE) in order to facilitate for the Honduran citizenry their readiness to inform the different agencies involved in government security activities concerning any attitude they deem suspicious and of interest for security.

The Emergency Information Center will act on the national level and will receive all information or reporting of a suspicious nature that threatens the security of the persons and institutions of government.

To receive and facilitate to the Honduran citizenry their readiness to inform the CIE, a circuit of telephone numbers has been formed which we are making known to the public.

Informants need not give their name and identity when they call: it is up to the caller to identify himself if he so chooses.

The telephone numbers which may be called are the following:

Tegucigalpa, D.C.	22-8976
	22-8977
	22-8978
	22-8979
	199
La Ceiba, Atlantida	42-2232
	199
San Pedro Sula, Cortes	54-2224
	54-1111
	54-3334
Santa Rosa de Copan, Copan	198
	199

Comayagua	199
Choluteca	82-0701
	82-0702
Danlí, El Paraíso	199
Juticalpa, Olancho	198
	199

The Emergency Information Center will work 24 hours a day and give all due attention to reports and emergency calls which are made by responsible Hondurans who seek the peace and tranquility of Honduras.

Tegucigalpa, D.C. 21 September, 1983

Public Relations Headquarters  
Armed Forces of Honduras

#### Congressional Deputies Voice Concern

Tegucigalpa LA TRIBUNA in Spanish 24 Sep 83 p 16

[Text] Deputies of the National Congress view with misgivings the establishment of the Center to Receive Reports established by the armed forces, "to guarantee national security."

The deputies consulted believe "it is not proper for future informers to be able to make reports to the center without any identification, because that would promote 'snooping' which is believed to be a phase which has not been surpassed in the country."

Then again, some said that in order to take certain measures like the one announced, attention should be paid to what the Constitution of the republic provides for in its respective articles.

#### Justified Criticisms

Donaldo Suazo Tome, head of the nationalist bench and deputy for Cortes, states: "I believe that criticisms are justified, especially with regard to the content of the paragraph that says that 'it is not necessary for informants to leave their name and identity when they call, it being up to the latter to identify himself if he so desires'."

"I think," he said, "that the existence of the center is to formalize the reception of the data, but it should be required for informants to identify themselves under the promise stipulating that confidentiality will be maintained in every case."

"I hope that in this regard," he added, "the armed forces will make due rectification, since I presume this is due more to oversight than to any other reason."

#### Violates the Constitution

Orlando Gomez Cisneros said that the "center violates the Constitution of the republic, which establishes in Article 68 that 'Every person has the right to have his physical, mental and moral integrity respected'."

Gomez Cisneros added: Article 69 indicates that "Personal freedom is inviolable. Only in accordance with the laws can it be restricted or temporarily suspended."

This indicates, he added, that the way in which the communique was issued establishing the creation of this center, with the power and authority delegated to it, amounts to a violation of the Constitution of the republic.

#### Congress Will Be Informed

Romualdo Bueso Penalba, head of the liberal wing and coordinator of the commission set up to keep an eye out for the fulfillment of individual guarantees, stated that "this subject will be studied by this commission to inform the Congress about the problem," since this is why we were named.

"I consider that the information must be obtained by professionals working within an expert institutional framework; otherwise a wave of 'snooping' might engulf the country, and nobody would be able to have peace in his own home."

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CSO: 3248/64

**SIGNIFICANCE OF GUERRILLA DEFEAT IN OLANCHO VIEWED**

San Pedro Sula LA PRENSA in Spanish 8 Oct 83 pp 7, 27

[Article by Rafael Bardales B.: "Failure of the Guerrilla Movement"]

[Text] The department of Olancho is, with 24,350 square kilometers, the largest in area of all in Honduras. According to the 1974 census, it has a population of 151,436. It is comprised of two municipalities, two cities, 20 towns, 21 villages and 2,020 hamlets.

The physical appearance is mountainous, as it has four mountain ranges. Three very important valleys--Lepaguare, Olancho and Agalta--run between the mountains. Important rivers are the Mame, Sico or Grande, Juticalpa, Telica, Talgua and Guayambre. The confluence of the waters of the Guayape and Guayambre form the Patuca River.

The great majority of Olancho's inhabitants work in agriculture, stockraising or forestry. The Pulp and Paper Project envisages exploitation of the pine forests. The city of Juticalpa has several schools for the education of children and young people. There is a hospital and a health center, commercial establishments, hotels, industrial centers and all kinds of public services. In the city park stands a statue in honor of Francisco Paula Flores, a Cuban teacher who taught several generations of Olancho students. This is the only city in Central America to have rendered such a tribute to a teacher. A modern highway connects the city with the capital and the Atlantic coast. Catacamas is another very active city in Olancho and serves as the seat of the prestigious National Agricultural School, to whose classrooms and fields young people come from all over the republic to undertake studies in agronomy. In the municipality of San Francisco de la Paz, on the historic site of Vueltas del Ocote, stands a monument to Gen Francisco Morazan, because it is at this place that, on 21 January 1830, the Central American hero secured the surrender of the rebels who were fighting the government of Honduras. This monument is a civic-minded gift from Olancho's teachers.

In this part of Honduran territory appeared the guerrilla movement backed by the Soviet Union, Fidel Castro and the Marxist commanders who are enslaving the people of Nicaragua; their sinister purpose was to turn our country into a socialist society. The communists want to deprive us of our present status and impose their totalitarian status on us.

Our status, that of a democratic society, has--as Joaquin Costa says--the following rights: individual rights: freedom to chose one's domicile and profession, to profess religious beliefs and political ideas, to assemble and form associations, to petition the authorities, Inviolability of domicile and of correspondence; 2. Right to make legal agreements; 3. Right to dispose freely of one's goods by will; 4. Right to renounce the benefits of the laws; 5. Power to create individual custom with the force of contract; 6. Right to undertake an obligation in whatever form; 7. Right to carry out oneself one's own contracts; 8. Right to make arrangements and compromise by means of arbitration and settlements; 9. Right to occupy and work commonly held lands; 10. Facility to defend oneself and to defend one's own person and goods and those of our families; 11. Right to take and to hold; 12. Right to establish cooperative councils; 13. Right to transfer one's juridical personality to others through representation.

In a communist society, these rights do not exist. They have been suppressed by its totalitarian masters, who control everything, who oppress everything. In the Honduran people's present status, the individual, alone or in association with others, owns the means of production and, in conformance with this system, works in his shop, factory, business, farm, ranch or small parcel of land, harvests what he produces, sells the products he gets and, with the money he acquires in the process, takes care of his business needs, his health, his education and his recreation and contributes to the development of the community. The Honduran is free to administer the resources that belong to him. He buys what he needs to satisfy his personal, social and family needs. The Honduran is master of his own destiny. Protected by the state, he creates his own life through intelligence and work.

The communist society is diametrically opposed to our own. It is the negation of our way of life. In this totalitarian society, the means of production belong to the state. Thus, the state is the only large capitalist and exploits all the people. In this kind of society, the individual cannot own even a little tailor shop, a carpenter shop, a tiny repair shop or a simple fruit stand, because these are corrupt, bourgeois things. If he cannot own even these things, much less can he be the owner of or a partner in an industrial enterprise, farm, ranch, radio station, newspaper or any business. No, this is impossible. Only the state can own and produce, sell at the price it imposes, tell everyone what he may consume, what he may earn, what hours he must work--and this is never less than 14 and under the worst working conditions. In this system, the free man does not exist; there is only the slave who cannot even protest, because, if he does, they cut his head off for following bourgeois customs.

And what happens in the economic field happens also in the political, social, cultural, religious and artistic fields. No one escapes the control of the communist dictatorship. Every family is spied on, threatened and bullied, and if anyone is suspected of being a counterrevolutionary, he is sacrificed to Fidel's firing squad. This is why the communist state is a totalitarian state.

This is the new order that they offer Honduras and that, moreover, they want to impose on us through guerrilla violence. To impose the communist system,

some 300 guerrillas invaded the department of Olancho and began a war of attrition. A battalion specialized in counterinsurgency sought them out to pursue them, surround them, corner them and force them to do battle. And this rapid, decisive, courageous, aggressive strategy resulted in complete victory. Many guerrillas--including their chief, commander Pableo Mendoza (Reyes Mata)--died, others fled and several deserted and turned themselves in to the military authorities. The people of Olancho turned their backs on the guerrillas and aligned themselves with the armed forces, because the latter are the real guarantors of peace, development, democracy and well-being.

Thus, the Sandinist commanders' adventure came to an end, but we still need to be always on our guard in order to halt the guerrillas in their tracks should they dare to make another try.

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CSO: 3248/100

## BRIEFS

ELECTORAL TRIBUNAL TREASURER DISMISSED--The National Electoral Tribunal (TNE) ratified the dismissal of its treasurer, Gladys Salgado de Barahona, at its session last Tuesday the 27th. However, the TNE has not yet officially communicated the dismissal of this officer. Adan Palacios, deputy delegate of the Honduran Christian Democratic Party, stated that the approval of the dismissal "was an accomplished fact," and added: "We estimate that there is an agreement that determines that in order to adopt transcendental resolutions for the TNE the participation of all the principal delegates of the legally recognized political parties should be compulsory." However, he added, in the two sessions, the first one in which the vicepresident Fausto Castillo Suazo proposed the dismissal of Gladys Salgado de Berahona, and the second one, when said dismissal was ratified, the majority of the votes in favor of the motion was obtained with the casting vote of Castillo Suazo, as president of the tribunal by law. *Excerpt* *Tegucigalpa LA TRIBUNA* in Spanish 30 Sep 83 p 12 12493

ARMED FORCES TECHNICAL SCHOOL--Gen Gustavo Alvarez Martinez inaugurated yesterday, and uncovered together with Col. Ruben Humberto Montoya, Navy commander, the commemorative plaque of the Armed Forces Technical School (AFTC) facilities, whose first class, of 45 students, will graduate in May of next year. The new school is equipped with modern and sophisticated equipment provided by the Israeli company Degem System Ltda., whose liaison here is Shalom Dimor and is directed by the naval base commander, Lieutenant Commander Cristobal Cano, and by engineer Allan Greemberg, head of the technical and pedagogical department. The AFTC consists of departments such as mechanics, which comprises internal combustion, outboard and diesel engines; radar and communications; air conditioning and refrigeration; electricity, which includes wiring and electric motors; general mechanics, including arc and autogenous welding; sheet metal work (metals) and plumbing. The first class of youngsters from all the armed forces branches began its studies on 31 January of the current year and--according to engineer Greemberg--both this class and the next one will come out prepared to perform within the institution, as well as in civil life. *Text* *San Pedro Sula TIEMPO* in Spanish 29 Sep 83 p 12 12493

BORDER CUSTOMS POST EVACUATED--The civil population of the Honduran customs post of El Espino, in the border with Nicaragua, has been evacuated as a result of the strong combats fought in that country between the government forces and the anti-Sandinist guerrillas. The informations received in the

capital indicate that the commandos of the Nicaraguan Democratic Front (NDF) have launched an offensive in the outskirts of Somoto and that on the previous Sunday their combatants took the customs post of El Espino, which was recuperated some hours later by the Sandinist front. According to this version, the armed clashes in the interior of Nicaragua forced the Honduran authorities to temporarily close the customs post of El Espino as the civil population was being evacuated. The intensity of the combats is such that the detonations of large-caliber weapons can be heard in the Honduran villages near the border and yesterday afternoon there were assurances that the anti-Sandinists had occupied a larger sector of the city of Somoto. Until yesterday, the armed forces had not reported a possible mobilization of Honduran troops in the sector in order to prevent combatants from both sides to enter the national territory. [Text] [San Pedro Sula LA PRENSA in Spanish 27 Sep 83 p 36] 12493

OLANCHO HYDROELECTRIC PROJECT--Implementation of a hydroelectric project, to be carried out at a cost of 7 million lempiras, will benefit the cities of Juticalpa and Catacamas in Olancho Department beginning next year, the authorities of the National Enterprise for Electric Power (ENEE) said yesterday in Tegucigalpa. Felipe Pineda Milla, the engineer in charge of the Santa Maria del Real project, said that this will mean progress for the Guayape Valley and for the communities located on the Juticalpa-Catacamas road, as well as for the surrounding area. He indicated that the work will begin in January 1984 and end, according to plan, in December of the same year. "Two thermal plants already exist in Catacamas and Juticalpa and these will be connected with the new one. The latter will generate 1100 kilowatts and supply 60 percent of the yearly needs of the two cities," Pineda added. Nevertheless, he pointed out, the ENEE authorities have not signed the loan contract with the French company that is financing the project, since the approval of certain government institutions and of the National Congress is still lacking. [Text] [San Pedro Sula EL TIEMPO in Spanish 8 Oct 83 p 10] 12336

FINANCIAL COOPERATION AGREEMENT WITH SWITZERLAND--The government of Honduras yesterday concluded an important agreement for financial cooperation with the Swiss Confederation; this will provide 4.2 million lempiras to meet the most pressing needs of the underprivileged campesino groups in Yoro department. Legal advisor Arnulfo Pineda Lopea, representing the president of Honduras, and, on behalf of the Confederation, Cristian Hauswirth, Swiss charge d'affaires in Tegucigalpa, initialed this important document. The economic aid will benefit the neediest population groups in Yoro who, in spite of its development potential, have remained underprivileged. Landless campesinos, agrarian reform groups, small independent producers, small producers of handicrafts and farming and forestry associations located in the region will be beneficiaries of the aid. It is believed that some 700 families, who find themselves in difficult economic conditions, will benefit by this aid from the Swiss Confederation. The provisions of the agreement call for a gift by the Swiss government of 2.75 million lempiras and, in addition, nonreimbursable technical aid in the amount of 1.45 million lempiras. [Text] [San Pedro Sula LA PRENSA in Spanish 7 Oct 83 p 3] 12336

## NORWAY ENDING DEVELOPMENT AID PROGRAM BEGUN IN 1977

Oslo AFTENPOSTEN in Norwegian 21 Oct 83 p 11

[Article by Gunnar Selgard: "Jamaica Three Years After Manley: Development Aid Ending"]

[Text] Kingston, October--The Norwegian development aid to Jamaica is coming to an end. The aid began when in 1977 the Nordli government entered into an agreement on aid and cooperation with the Manley government. Direct Norwegian aid to a total value of over 100 million kroner has been granted during three years. In addition, there are contributions given through the UN for multilateral projects in Jamaica.

In Norway the aid to Jamaica has in certain circles been regarded as help from Nordli's Labor party government to good party friends in Jamaica. It is not thus regarded in Jamaica, where business and industry appreciate the aid, and even while Manley's socialist government was in power it was said by conservatives that it was just aid from such a country as Norway one was interested in, i.e. a country that did not set political conditions for its aid.

The Norwegian projects are now coming to an end. It became clear during Foreign Minister Sven Stray's recent visit to Jamaica and in his conversations with Jamaican Foreign Minister Hugh Shearer that there are no plans for new Norwegian assistance projects. Future cooperation between the two countries will preferentially take place on the commercial level. Jamaica is interested in drawing capital and expertise from Norway, and through the American aid plan for the West Indies (CBI) can offer duty-free access to the American market for a term of 12 years beginning on 1 January 1984 for most kinds of commodities. In addition, Jamaica is still interested in Norwegian aid in investigating the possibility of exploring for oil at sea and ashore.

Compared with Norwegian assistance to other developing countries, Norwegian aid to Jamaica has been of relatively modest size. Nevertheless, during the six years since the agreement was entered into it has had considerable publicity, perhaps because it was thought by many that it had political overtones.

As has been the case with the aid to other developing countries the aid to Jamaica has been characterized by delays and great administrative problems. From time to time the cooperation has creaked. For example, the plan for extensive cooperation in aluminum production--Jamaica has large deposits of bauxite--came to naught. The most important projects are help for oil exploration, construction of a seamen's school and training of seamen, construction of a cement plant in cooperation with Norcem, establishment of a foodstuffs plant in cooperation with Trio Factories, and a consulting firm. The construction of a new health center in Kingston for 125,000 people under UN direction is probably the most successful project. Norway has provided most of the funding for the health center, a total of 7.5 million kroner. The Jamaicans see it as a gift from Norway, which is also helping to finance the operation for the first two years.

An interesting project is training of seamen and construction of a new seamen's school, to be completed by the end of this year. Instruction has already been given for three and one half years in temporary quarters.

Concerning this project, too, there have been delays and problems. At first, Jamaicans were not too interested in a school for seamen. Nor could they imagine aid for construction of another school with the technology sector. But from the Norwegian side it was made clear that this was an area where Norway had better expertise than most and something to offer that others did not have.

The four-year courses were started in 1980, when 30 students were accepted, 15 each in the engine and the deck line. Since that time about the same number has been accepted each year, but some drop out, primarily because the students have spent no time at sea prior to entering the course. Today, the school has 100 students.

It is difficult to gain entrance to the Norwegian Seamen's School in Kingston.

Each year 150 applicants take the entrance examination, and only 30 of them are admitted. Those admitted regard themselves as privileged in a society where opportunities for employment and education are very limited.

The Norwegian staff, the rector and three teachers, has succeeded in creating a good, enthusiastic milieu, which, by the way, was pointed out by Foreign Minister Stray when during his visit he made a speech at a banquet celebrating a maritime week. Work upon the school has been somewhat delayed, and Norway therefore intends to continue assistance for this project up to 1990, though other projects in Jamaica are expected to be completed next year. This will be done to assure future operation of the school. It is intended that the Jamaicans themselves, preferably former students, will take over as teachers.

There are some who view the future of the school with scepticism when Norway withdraws. Jamaica has no strong traditions as a seafaring nation. Will Jamaica take care of and further develop a school for which there is only a limited need because it has only limited shipping?

Dag Loset, who heads the engine division of the school, does not share this scepticism. In his opinion the student material is of good quality, and the students get a good education in Jamaica Maritime Training Institute, as the school is officially called.

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CSO: 3639/15

## DRAFT REGISTRATION SAID TO BE 33 PERCENT COMPLETE

Managua EL NUEVO DIARIO in Spanish 18 Oct 83 pp 1, 12

[text] Ninety percent of the youths who registered for SMP (Patriotic Military Service) are of the Catholic faith and the Vanguard Region is currently in second place in registrations; it includes the departments of Leon and Chinandega.

This information is a part of the first preliminary report on the first 10 days of registration submitted by Sandinista People's Army Capt Federico Cerdá.

Cerdá yesterday spoke to newsmen in the Monimbo Building, adding that the quantitative analyses during the first 12 days of registration show a coverage of more than 33 percent registration, nationwide, "out of the total number estimated for registration."

The EPS [Sandinista People's Army] expert said that this is considered to be an optimum result in a country where people are accustomed "to leave everything until the last moment."

Cerdá however emphasized that preliminary studies indicate that everything is going ahead full-speed and that the reactionary and counterrevolutionary campaigns, directed by unconscionable and antipatriotic activities against the SMP, "have failed miserably."

The EPS official revealed that the analysis of registrations shows that "participation has been most widespread"; youngsters from all political and religious persuasions have done their duty, "as did many boys on different wage levels."

Concerning the young Catholics registered with the SMP, Cerdá said that they easily exceed 50,000 throughout the land, adding that there are as yet no reports from special zones 1, 2, and 3 (Puerto Cabeza or Zelaya Norte, Bluefields or Zelaya Sur, and Rio San Juan) since registration offices were opened later due to the situation in those areas.

In other words, Zone 3 (Rio San Juan) began on 6 October; Zone 2 (Bluefields or Zelaya Sur) began on 3 October; and Zone 1 (Puerto Cabezas or Zelaya Norte) did not begin until 14 October.

Regarding the above phenomenon, he explained that this is due to the special aspects of the respective zones and that the same thing happened in the mountain regions of Boaco, Chontales, and Zelaya Central, making up Region III.

In these zones, said Captain Cerdá, both registration and registrant reports come in more slowly because most of the people in these regions and zones live out in rural areas "and because of the fact that they are widely scattered, it is difficult to give them the kind of attention which those who live in urban areas are getting."

#### Vanguard Region II

Cerdá called attention to the fact that, as of 13 October, Region II (Leon and Chinandega) had attained 44 percent of the quotas. Region III (Urban Managua and its townships) had 35 percent registrants and Region VI (Matagalpa and Jinotega), along with Region I (Segovias) came up with 30 percent of their quotas, "In spite of the fact that they are zones were counterrevolutionary action is most evident."

He added that many zones in these regions "have been unable to send in their results as yet" because their rural population is so widely scattered and because they are subjected to counterrevolutionary attacks.

As far as the Mobile Registration teams are concerned, particularly for zones "that are the most difficult because they are inaccessible," Captain Cerdá said that they are doing a rather good job (he mentioned about 50), "although the fact that the people are widely scattered in the rural areas makes them less efficient."

#### Managua Gets 50 Percent

Another figure given by the EPS specialist is that "50 percent of the registrants who signed up during the first 10 days nationwide are from the department of Managua, which makes up Region III, under the new political-administrative division of Nicaragua."

#### Youths Do Not Hide Militancy

He also mentioned the fact--analyzing the registration records for the first 10 days--that among the registered youths "we have some from both CONAPRO [National Confederation of Professional Associations], from the PSD (Social Democratic Party), from the PPSC (Popular Social Christian Party), from the PCN (Communist Party of Nicaragua), from the CUS (Confederation for Trade Union Unity), from the PSC (Social Christian Party), from CTN (Central Organization of Nicaraguan Workers), and from CGT-i (Independent General Confederation of Labor)."

In the judgment of this high EPS official, this shows that "our youths are valiant and that they do not in any way hide their militancy even though this may be in the so-called right-wing parties or groups."

The same thing--he said--happened in the case of those who revealed their religious militancy by identifying themselves as Baptists, Anglicans, Pentecostalists, the Assemblies of God, the Central American Church, Jehova's Witnesses and even youths who said that they are Mohammedans and Buddhists.

#### Resistance and Maneuvers, But...

As for difficulties or resistance of a religious type, which might have arisen, Captain Cerdá indicated that "there were some outbreaks in Corinto and Central La Paz but those were overcome when the Patriotic Military Service Law was explained to the boys in greater detail."

In this sense, Captain Cerdá said that there were no major difficulties and that, although there were some people who registered to be able to get their cards and to maneuver so as to leave the country, "this was not of any major significance."

#### Applicant Screening Begins

Cerdá said that the first registration statistics between 1 and 10 October already enable the army analysts to begin to work on a preliminary evaluation of people who will be called up for SMA (Active Military Service), "which will be a minimum portion of those who registered."

He repeated that family fathers and the youths themselves must clearly understand that there is an awareness in the state "that not all of those who registered will be called up not only because it is impossible to take care of them but also because the country has other general needs, some of which are even higher than the needs of national defense or that are a part of national defense itself, although from another angle, for example, production."

#### Youths Will Be Better

He also said again that the Patriotic Military Service Law is of an educational nature and that the younger generation itself, both those who go on to SMA as well as those who will go into SMR (Reserve Military Service), will have an opportunity to acquire a body of knowledge in disciplines that will enable them to be "better able to serve the country."

Talking about the sequence in which registrations were carried out--in which connection Region II (Leon and Chinandega) shows up as "registration vanguard"--Captain Cerdá expressed his optimism to the effect that this sequence "will be changed by the surge from those who are in the lower part of the classification" so that all youths suitable for joining the EPS "will be ready during the first half of January 1984, when they are called to the colors."

He concluded that "adding up the first results of the registration, nationwide, the figure comes to something like 33 percent registered out of the 200,000 or more youths who we estimate are fit throughout the country."

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CIO: 3748/109

## ECLA ECONOMIST FORESEES ECONOMIC RECOVERY IN 1985-1986

Managua EL NUEVO DIARIO in Spanish 18 Oct 83 p 6

[Text] Mexico City (ANN [New Nicaragua News Agency])--In spite of the military and economic aggression carried out against Nicaragua by the United States and the Somoza forces, the Nicaraguan economy will begin to recover between 1985 and 1986, Oscar Zamora, a Nicaraguan economist with ECLA, said here.

During the round-table discussion on the economy and society of Central America, which is being held in this capital under the auspices of ECLA, Zamora in detail outlined Nicaragua's economic situation following the triumph of the Sandinista Revolution and stressed the difficulties created for the country by recent Somozaist acts of sabotage against the main Nicaraguan production centers.

The official pointed out that the panorama of economic recession, in which the country was at the time of the revolution's triumph, was a great challenge to the Sandinista Government and considered the rise in the foreign debt and the slow recovery of economic activities as the main problems which the Nicaraguan authorities had to face in the area of the economy.

"The government has launched investments of a character different from those that existed during the Somoza regime in such a way that the shortages in the industrial sector and in other areas would be made up for with programs providing impetus for the optimum utilization of natural resources, such as the land, and that would support the domestic consumption of the largest possible number of products turned out in the country, assigning a secondary level to exports," he emphasized.

Oscar Zamora reiterated that the effects of Nicaraguan economic recovery will begin to emerge between 1985 and 1986 as a result of the investments that were made and due to this new orientation of the national economy as promoted by the Sandinista Revolution; he warned that "neither acts of sabotage, nor United States economic boycott will prevent Nicaragua from going forward."

The ECLA meeting was also attended by outstanding economists from Latin America, including Ghert Rosenthal, ECLA director, who concluded that it was necessary to come up with a new economic growth model for the countries of Central America.

## LOGISTICS OF 1983-1984 COFFEE HARVEST OUTLINED

Managua EL NUEVO DIARIO in Spanish 20 Oct 83 p 5

[Text] San Marcos, Carazo (M. Soza V.). "The targets to be attained during this 1983-1984 coffee harvest are 1,140,000 gold quintals, nationwide and 120,000 for Region IV; this harvest has already been started in practice with the collection of the first grain measures of ripe coffee," said Manuel Guevara, ATC [Association of Agricultural Workers] production manager for Zone 3.

Guevara emphasized the vital importance of meeting both targets in the light of the country's economy at this time; this is yet another challenge for our people in which we must all become involved, without exception.

As for the work itself, he said, it is important to exercise care in cutting only the red plants and not harming the coffee seedlings since this will guarantee better product quality as well as the future harvest.

#### Political Aspect

As for the political aspect, he underscored the need for getting the workers together for defense tasks through the Territorial Sandinista People Militias, the Reserve Battalions, and Revolutionary Vigilance at places of work and the organization of the Production Battalions to make sure that we may guarantee the collection of this harvest with a single effort.

As far as organization is concerned, the important thing is to organize the special teams of cutters and to hold pledge meetings in each of the complexes, as well as to exercise strict labor union control over the processing facilities in the People's Ownership Sector and in the private sector, in relation to the quantity of grain measures cut each day.

Rene Orue, from the Mauricio Duarte Coffee Enterprise, indicated that new processing facilities are ready to process the coffee from this harvest and that the quota assigned to Region IV is 146,000 grain measures; Region III has a target of 8,000 and Boaco and Chontales have a target of 13,000 quintals.

#### Production Councils

Looking at another aspect, the official indicated that, in an effort to solve a series of enterprise problems, a consultative council and production councils have been set up in each of the processing facilities.

On the other hand he said that it has been suggested to CONARCA [National Committee for Renovating Coffee] to assign several vehicles to guarantee the collection of gold grain both from small coffee growers and from the cooperatives.

#### Agreement with Labor Union

He announced that a collective bargaining agreement was signed recently between the workers and the enterprise, dealing with the wage levels as a whole, with the Ministry of Labor, the CST [Sandinist Central Organization of Workers], MIDINRA [Ministry of Agricultural-Livestock Development and Agrarian Reform], and this enterprise; it covers permanent workers, including group insurance through the INISER [Nicaraguan Institute of Insurance].

As for machinery in the various processing plants, Orue gave assurances to the effect that their operation is guaranteed since they now have a sufficient shipment of spare parts for this year and the next year.

Regarding fuel, he emphasized that there will be no problems since they are among the enterprises that have been given priority by the Revolutionary State.

#### Priority for Fighting Men's Dependents

As for the number of employees who work in the new processing plants, he pointed out that the personnel necessary will be retained and that priority in grain selection will be given to mothers, wives, or siblings of fighting men mobilized in the combat zones and who furthermore have experience in coffee selection.

#### Innovations

The official announced that various innovations have been introduced at a cost of 600,000.00 cordobas, consisting of vibrator machines, pulping machines, and spare components for the pulp removal system, etc.

He said that 16,500 grain measures were processed at the Santa Margarita Processing Plant while San Pedro processed 8,500.

Roberto Rodriguez, of the Labor Ministry, gave the targets to follow for the application of labor standards prevailing during this harvest; at the same time he indicated that an inspection plan will be put into effect; these inspections will be carried out to the extent of 10-26 per month in the department's processing plants.

#### Average: 4 Cordobas

He pointed out that the average price for cut coffee this year will be 4.00 cordobas.

He emphasized that most of the coffee plantations in Carazo do not have adequate support facilities, such as housing, kitchens, etc.; he furthermore indicated that transportation will be supplied only for those workers who come from far away and who remain at their place of work throughout the season.

## BRIEFS

NEW MILITIA BATTALION--Granada--The First Battalion of Territorial Militias, organized in Zones 1, 2, and 3, was presented in Independence Plaza during a rally attended by hundreds of Sandinist Defense Committee members and workers. [Summary] [PA311902 Managua EL NUEVO DIARIO in Spanish 24 Oct 83 p 4]

EMERGENCY AID DELEGATIONS--Two Nicaraguan delegations will begin a tour of European and North American countries to request emergency aid in view of the critical situation provoked by the counterrevolutionary attacks and the U.S. economic boycott of Nicaragua. The delegations are composed of members of the Emergency Committee [Comite de Emergencia], the Commission for Coordination of Nongovernmental Organizations [Comision for Coordinadora de Organismos no Gubernamentales], the Augusto Cesar Sandino Foundation; and (Justiniano Lido), of the Center for Agricultural Studies [Centro de Estudios para la Agricultura]. The delegations will spend 15 days abroad and meet with over 100 nongovernmental organizations to report on the crisis in Nicaragua. [Text] [PA031443 Managua Domestic Service in Spanish 0300 GMT 2 Nov 83]

WPC MEETING DELEGATE--Commander Olga Aviles, president of the Nicaraguan Peace Commission, CONIPAZ, today left for Mexico City. Aviles will attend an urgent WPC meeting which has been called to analyze the situation in Grenada and seek solutions to the crisis. Aviles will present a report on Grenada and the grave Nicaraguan situation resulting from imperialist threats. [Text] [PA022323 Managua Radio Sandino in Spanish 1830 GMT 1 Nov 83]

COMMISSION VISITS U.S.--A State Council mixed commission departed today for the United States. The commission, which is comprised primarily of members of the Electoral Commission, will take part in seminars to be held at Harvard and Princeton universities, and will meet with U.S. congressmen. [Summary] [PA022323 Managua Radio Sandino Network in Spanish 1200 GMT 2 Nov 83]

SOVIET FISH DONATION--Nicaragua received a donation of 2 million pounds of fresh fish from the Soviet Union yesterday. Victor Chukov, speaking on behalf of the Soviet Government, said that the Soviet people will always support the Nicaraguan people's just cause. Alexander Jomuk speaking on behalf of the Soviet people, presented the donation to a Corinto port worker who received the fish for the Nicaraguan people. The donation will be distributed in the country's markets. [Summary] [PA022323 Managua EL NUEVO DIARIO in Spanish 28 Oct 83 p 9]

LOAN FROM NETHERLANDS--In June, the U.S. Government vetoed an IDB loan of \$1 million to Nicaragua for the construction of a highway in Jinotega Department. However, the Government of the Netherlands has loaned \$2 million to Nicaragua for this project, according to a press communique issued by the Directorate of Dissemination and Press of the Junta of the Government of National Reconstruction. [Summary] [PA022323 Managua Domestic Service in Spanish 0300 GMT 2 Nov 83]

UNESCO VICE PRESIDENCY--UNESCO elected Nicaraguan Education Minister Carlos Tunnerman Bernheim to the post of vice president of this organization's 22d general assembly, which began its sessions today. Tunnerman is leading the Nicaraguan delegation to that assembly. UNESCO will meet in Paris from 25 October to 29 November. [Summary] [PA311902 Managua Domestic Service in Spanish 2202 GMT 26 Oct 83]

PEACE FRONT MEETING--The coordinating committee of the Women's Continental Front for Peace and Against Intervention [Frente Continental de Mujeres por la Paz y Contra la Intervencion] opened a special meeting in Managua today to reject both the invasion of Grenada and the acts of imperialist aggression which have been launched against the Nicaraguan people. The meeting will be attended by 11 delegations from Latin America, Canada, the United States, and the Caribbean. The following representatives will also participate in the meeting: (Nora Malengue), Socialist International vice president for Latin America; a delegation from the FMLN-FDR of El Salvador; (Carmen Naranjo), from Costa Rica; (Paulina Jaegel), from Canada; and a delegate from Panama. [Excerpt] [PA070150 Managua Radio Sandino Network in Spanish 1200 GMT 4 Nov 83]

YUGOSLAV DONATION--Rafael Cordova Rivas, member of the Junta of the Government of National Reconstruction, received a donation from Yugoslavia valued at 4.6 million cordobas. The donation, presented yesterday in Corinto and delivered by the captain of the ship "Ljutoner Emir Oblisar," included 300 tons of corn flour, 563 tons of rice, and 120 tons of canned meat. [Excerpt] [PA070150 Managua EL NUEVO DIARIO in Spanish 29 Oct 83 p 9]

SOVIET MEDICINE, FOOD--The USSR has donated more than 30,000 lbs of medicine and canned food to the Nicaraguan people at a time when our country faces a great emergency. The 15 tons of supplies, the maximum which could be carried aboard an Aeroflot plane, were accepted yesterday by Health Minister Lea Guido at Sandino Airport. The donation was presented by Soviet Ambassador German E. Shlyapnikov. [Summary] [PA070150 Managua EL NUEVO DIARIO in Spanish 29 Oct 83 p 9]

AGREEMENT WITH CANADA--Foreign Ministry sources reported today that the Canadian Government has signed a food assistance agreement with the Nicaraguan Government, whereby Canada will provide 10,000 tons of flour valued at \$3 million Canadian dollars. [Summary] [PA070150 Managua Domestic Service in Spanish 0300 GMT 5 Nov 83]

RELATIONS WITH CAPE VERDE--The revolutionary government today formally and officially established diplomatic relations with the Republic of Cape Verde at the United Nations. [Summary] [PA261350 Managua Domestic Service in Spanish 0300 GMT 25 Oct 83]

DPRK AGREEMENT--The DPRK trade commission which visited Nicaragua signed important cooperation agreements worth approximately \$30 million. DPRK Foreign Trade Minister Choe Chong-kun today declared that economic cooperation will strengthen the solidarity and bonds of friendship between the two peoples. The DPRK delegation visited metalworks and machinery companies, and reviewed agrarian and livestock projects being carried out in the country. [Excerpts] [PA261350 Managua Radio Sandino in Spanish 1830 GMT 24 Oct 83]

AUSTRIAN DONATION--The Austrian people and government have donated three fully equipped commercial laboratories to the Nicaraguan people and government. These facilities include all the necessary accessories--from calculators to a telephone exchange. The laboratories will be used to train students from several schools. This donation is estimated to be worth \$82,000. [Summary] [PA261350 Managua Radio Sandino in Spanish 1830 GMT 24 Oct 83]

IMPORT FIGURES--It was reported today that imports made through the Foreign Trade Ministry during the first half of 1983 totalled \$348,646,000. The top two expenditures were: \$77,735,000 on gasoline, lubricants, and oil, and \$83,746,000 on raw materials for industrial purposes. [Text] [PA261350 Managua Domestic Service in Spanish 0300 GMT 25 Oct 83]

CGO: 3248/147

## EX-MINISTER ON ECONOMY, RELATIONS WITH NETHERLANDS

Amsterdam ELSEVIERS MAGAZINE in Dutch 8 Oct 83 pp 149-153

[Interview with Suriname ex-minister of finance Edgar Wijngaarde, by Sig. W. Wolf:  
"Doubt About Politicians' Attitude: 'Netherlands Is Jointly Responsible for  
Suriname's Dictatorship"'; date and place not given]

[Text] Doubts are growing about the way in which Suriname became independent. The Netherlands was allegedly too long-suffering, and thus jointly responsible for the present dictatorship. VVD [People's Party for Freedom and Democracy] parliamentary leader Ed Nijpels thinks that an inquiry should be made into the matter; he is supported in his argument by the financial brain of Suriname business, ex-minister of finance Edgar Wijngaarde.

Eight years after Suriname's independence, more and more question marks are cropping up in Dutch political circles about the way in which that country separated definitively from the kingdom in 1975. The most important argument for this self-inquiry is the vexing question of the extent to which the Netherlands bears joint responsibility for the military dictatorship into which the country has fallen. In its haste to comply with calls for independence, the Netherlands allegedly left behind a vulnerable democracy with a poorly functioning government and demanded too few guarantees in order to bar corruption. In short, when Suriname became independent, Dutch politicians allegedly let themselves be harnessed all too easily by a group of nationalists who considered their own political interests more important than those of the Suriname people.

In this way, a climate was created in which adventurers, eager for power, could seize their opportunity, under the show of championing the Suriname people. VVD parliamentary leader Ed Nijpels subsequently wants greater clarity about the manner in which Suriname became independent. He is arguing for a thorough investigation. "There are too many signs which indicate that perhaps we acted too hastily. It is time that the Dutch role be clarified. We must examine whether the Netherlands is jointly responsible for the conditions which came about after independence and which ultimately resulted in Bouterse's assumption of power."

This joint responsibility is being rejected categorically by PvdA [Labor Party] parliamentary leader J. M. den Uyl. In ELSEVIERS MAGAZINE of 24 September, he declared finding the Netherlands responsible for the misery in Suriname to be "utter nonsense." The latter nation gained its independence, according to Den Uyl, based on the wishes of a government chosen in free elections. "After independence that government did not do its best. But I don't see how joint responsibility could be construed for the cynical, amoral, opportunistic and rather bloodthirsty way in which the Bouterse regime has developed."

Edgar Wijngaarde, ex-minister of finance in Suriname and until the dramatic events of 8 December of last year seen as the pope of industry and the financial brain behind Suriname business, rejects the socialist leader's point of view. He is solidly behind Nijpels' argument. "Den Uyl is not presenting a correct picture of the events before and after Suriname's independence. The country did not gain its independence based on the wishes of a government chosen in free elections. Independence was not an issue in the 1973 elections. The Suriname people thus did not express their opinion on it. The independence issue popped up only after the Arron government had been formed. The people and the majority of the national legislature opposed it. Former prime minister Arron gave the people no choice with his pronouncement that Suriname would become independent by the end of 1975, with or without Dutch cooperation. In order to pacify feelings, Arron promised a referendum on independence. That referendum never took place. Thanks to opposition member Hindorje's defection to the coalition block, Arron got a slim majority of one vote in parliament, with which he could force independence past the national legislature."

Edgar Wijngaarde thinks that Suriname became independent through Hindorje's betrayal. According to him, the Netherlands is consequently an accomplice to this betrayal, since the government in The Hague did not make a single attempt to expose Hindorje's dubious step. "Neither the Dutch Government nor Governor Ferrier of Suriname stopped the corrupt way in which independence was forced. On the contrary, Dutch politicians were in the clouds that they were finally being freed from the 'Suriname problem.' But you cannot build a democracy on corruption and betrayal. You merely lay down the groundwork for undemocratic dealings, such as the 1980 coup and the barbaric actions of the military regime which followed."

That regime is now speeding towards bankruptcy. The financial and economic fiasco, which had already set in before the arrival of the military, is now proceeding at a uniform and accelerated pace. Edgar Wijngaarde would not give a red cent for the nation's economic situation. "For the military regime it's not simply a matter of bend or break. Since no thought is given to bending in Suriname, it seems inevitable that the entire economy will indeed break."

The former politician from Suriname, in better times founder of 17 businesses "that function outstandingly," derives the elements of his somber vision from the flow of financial data that reaches him on a weekly basis from the domestic

Suriname opposition via special couriers. These date leave little intact of the paradise that Commander Bouterse tries to hold up with his rhetoric. But even the Suriname ruler can no longer veil the approaching bankruptcy from his subjects, given his open, desperate attempts to seek a replacement for suspended Dutch aid elsewhere in the world.

Attempts which are all failing. The \$50 million loan from Colombia, announced to much fanfare, came to nothing, as did the \$100 million in aid that secretive Swiss bankers were supposedly making available. Brazil, which was to rush to the aid of the Suriname Government with military materials in order to keep the country out of Cuba's grip, has tightened its purse strings. Bouterse's envoys likewise came away from the World Bank empty-handed. It appears from the weekly report of the Suriname central bank that the national debt, 136 million Suriname guilders at the beginning of last December, has shot up to 373 million Suriname guilders. Extra bank notes at a value of 70 million Suriname guilders are being printed. "These figures, plus the exorbitant decline in bauxite revenues, clearly indicate that things have run aground financially. A devaluation of the Suriname guilder at the beginning of next year is thus unavoidable," Edgar Wijngaarde believes.

Wijngaarde had expected the collapse of the Suriname economy for some time. The fact that it is happening at such a quick pace surprises even him. The seed for the approaching disaster was sown by the way in which developmental aid from the Netherlands to Suriname was implemented after independence in 1975. The aid agreements were based on the plan by Dr F. Essed. He wanted to build a new city in the middle of the virgin forest in order to gather, process and sell raw materials. That was a plan from the brain of a dreamer. Consequently, the result is that hundreds of millions of guilders were thrown away. This waste of money and the parallel inexpert management of work fulfillment can be similarly found in other developmental projects approved by the Netherlands. Dutch advisors are consequently jointly guilty of the grave errors that were made.

According to Edgar Wijngaarde, the members of the Netherlands-Suriname Development Cooperation Commission (CONS) were not sufficiently critical in supervising the use of development funds. Supervision was so bad that the projects mostly cost double what was estimated. No one was the wiser for it. Consequently, Wijngaarde has nothing good to say about the Dutch members of CONS. "They let themselves be influenced by sentiments and the fear of being accused of lecturing. Suriname politicians eagerly made use of this fear. Their counterparts, such as Professor F. van Dam, chairman of CONS, and Hans de Mierlo, fell for the bogus maneuvers with open eyes. In addition, they had no notion of how to handle money. They did not properly fulfill their duty of criticism. Consequently, I find their actions to be the clearest deception."

Edgar Wijngaarde is an advocate of thorough modification of the directives for Dutch developmental cooperation as they were stated in the treaties with Suriname, in case of a possible resumption of aid. "If aid had not been suspended and things had continued along the same lines, the country would certainly have bled to death. Even the outlined policy of former President Chin A Sen, who was appointed by the military, would change nothing."

Wijngaarde views the possibility of reopening the flow of money under pressure from certain Dutch political circles as betrayal of the Suriname people. "From 1973 on there was a flight of trained people and intellectuals. The country does not have good managers at its disposal. How will you spend money sensibly if there is no manpower? We found out where that leads in the period before the coup as well as after it. The circumstances have only gotten worse. Since independence in 1975 Suriname has been made into a big grab bag in which politicians and their supporters could fumble around undisturbed and to their heart's desire. The Netherlands is jointly responsible for this through poor supervision."

Wijngaarde's lamentation sounds monotonous. He has no problems with this. "Up to now, the fact that Dutch as well as Suriname politicians are responsible for the breakdown in developmental aid has been emphasized too little. I blame them for not doing their job well. Dutch politicians were too long-suffering. Successive Suriname governments were lacking in political maturity and vision. People were simply vain. The worsening of the economy and the terror and intimidation that came with it simply accelerated the process of degeneration."

Wijngaarde sees intervention from outside as a possibility for calling a stop to this. He expects this within several months. The events of the past few weeks, in which the moderate PALU [Progressive Workers' and Farmers' Union] movement was shunted out of the power base, have opened the door for the extreme leftist Revolutionary People's Party. With this, Cubanization has clearly been chosen. Brazil, which has set itself up as a protector of Suriname against a leftist course, will not be content with that. Thus, it is obvious that an attempt will be made to pull Suriname in line by military means.

Edgar Wijngaarde doubts whether Suriname should be happy with this surprise attack. "If the Brazilians get into Suriname, they won't get out for the time being. The present Brazilian administration is definitely not a model parliamentary democracy. Suriname is not waiting around for a regime like that." Consequently, he hopes that intervention from outside will not be necessary and that the military will quickly repent and go back to the barracks.

"Pressure from the Netherlands in this will be decisive. One cannot draw back from the chaos in which Suriname was left at independence. Therefore, I support an inquiry such as that advocated by Nijpels with all my heart. There must finally be greater clarity about the political manipulations during Suriname's coming of independence."

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## POLITICAL PARTIES CHANGE STRATEGY AS ELECTIONS APPROACH

Caracas EL DIARIO DE CARACAS in Spanish 31 Oct 83 p 30

[Article by Pastor Heydra]

[Text] In the 29th week of the election campaign, the political parties made the readjustments that were essential to the culmination of the publicity campaign which will conclude at the end of November. The principal organizations announced their final campaign events, which will take place on Avenida Bolivar between 25 and 30 November.

In this 29th week of the election campaign, undecided voters have begun to solidify their choices in view of the political options available, and the various organizations and their respective candidates are making bold moves to capture that part of the electorate, which pollsters peg at between 15 and 20 percent of Venezuelans. This is a sizeable figure, and it could tip the scale toward one side or the other.

It is felt, however, that the undecided voters will tend to choose candidates in the same proportion as current popularity poll results; this means that they will divide up proportionally among the major candidates, as reflected in samples.

One significant event during this campaign week has been the consolidation of the campaign of Social Christian candidate Rafael Caldera, and the promotion of the administration's accomplishments. This reveals that important last-minute agreements have been forged within the Social Christian Party, leading to a concerted effort during the final month of the campaign to give a decisive boost to Rafael Caldera's candidacy.

In fact, since the Pan American Games, and in view of the fact that the prolonged crisis that has been accepted as a matter of course, some of the negative feelings toward the government have diminished, and attacks on Caldera's candidacy have been deflected. The government has gone "under the table" a bit, slightly improving its popularity levels. This should work in favor of its party's candidate. Even president Herrera has begun a campaign that could enhance his public image, through advertisements and television appearances.

Another major event in this 29th week of the electoral campaign was the U.S. invasion of the island of Grenada, which prompted strong formal reactions from the various political parties. The secondary effects of the invasion could work against the leftist parties, as happened in 1973 when the popular regime of Salvador Allende was overthrown in Chile.

In view of this situation, parties such as the Movement Toward Socialism (MAS), for reasons of prudence, have condemned the Americans but also criticized what they have termed ultra-leftist excesses on the part of the sectors which promoted the fall of the Bishop regime. The sectors supporting Jose Vicente Rangel, however, have categorically opposed the invasion. This fact could have a significant impact on the left, guaranteeing Rangel the cohesion of the voters identified with the positions furthest to the left. The MAS would lose those sectors, but it might expand its frontiers among voters who do not identify with Marxist positions.

#### Caldera Offensive

Social Christian presidential candidate Rafael Caldera this week launched a closed electoral offensive, persisting in his criticism of the "dirty war" and carrying on a campaign that has managed to convince certain sectors of the population that the Social Christian Party (COPEI) is a victim, not a victimizer. He also began to name people who would be in his future cabinet, in an effort to display a confident image to certain economic and social sectors. He hopes that this will garner him additional votes.

This week Caldera won indirect support from Silvia Benaim and Jose Agustin Catala, who are actually backing his adversary, Jaime Lusinchi, but played right into the hands of the Caldera campaign. He was able to exploit their position by publicizing letters each had written expressing support for him and repudiating the insulting attacks by Angel Nava and by a magazine publisher.

This week Rafael Caldera's candidacy received decisive support from the government and the president himself, who entered the electoral arena by stating his position on several issues. Speaking at the Governors' Convention, Luis Herrera made no bones about criticizing Lusinchi's alleged absences from television programs, as well as his reportedly dirty campaign against Rafael Caldera.

Rafael Caldera dined this week with the Arab-Syrian Committee, and went to the states of Zulia, Tachira, Bolivar and Guarico, where he presented his regional government program. He attended a meeting of coffee growers, presented his program for tourism, held a press conference and defended the food bonus, attended the Cavendes symposium on nutrition and health, went to a forum at Pro Venezuela, and named Julio Sosa Rodriguez to be his future finance minister.

Rafael Caldera's campaign committee published letters from Silvia Benaim and Jose Agustin Catala, sympathizers and friends of Democratic Action (AD), in which they expressed support for the Social Christian leader after mudslinging

attacks. It also launched the "Young Nation" march, which will travel through the major cities of the country before the campaign draws to a close.

Rafael Caldera had positive television appearances and presented his special programs on private as well as government channels.

#### Lusinchi with Zulian Women

Democratic Action presidential candidate Jaime Lusinchi and his campaign committee reiterated this week their disavowal of any dirty campaigning against his electoral adversaries, and indicated that the real dirty campaigning, in the form of radio broadcasts, street graffiti and flyers criticizing candidate Jaime Lusinchi, had been carried out constantly by the Social Christian Party, COPEI.

This week Jaime Lusinchi appeared on PRIMER PLANO, where he exhibited a serene, profound image. He discussed various issues of national and international life. Lusinchi gave a more positive impression, and moved with ease before the television cameras.

The AD candidate this week held a successful rally of women in the city of Maracaibo, filling Avenida Doctor Portillo to overflowing. This proved his party's desire to win Zulia, a region until now considered a Social Christian bastion.

The Democratic Action candidate, Jaime Lusinchi, gave a press conference this week in which he came out in favor of self-determination in Grenada, rejected the notion of any coup d'etat in Venezuela, and acknowledged that in the best of cases Rafael Caldera could by the end of the campaign improve his standing in the polls by 3 points, which would guarantee his victory.

Jaime Lusinchi held major public events this week in Maracaibo, Carupano, Guanare and Barinas. He had television specials on the commercial and government channels, attended a dinner with agrotechnicians, went to the Cavendes symposium and launched a campaign to demonstrate the weakness of the argument that Caldera is experienced, stressing that the Social Christian candidate does not give a chance to anyone, even in his own party, much less in society or in a hypothetical COPEI government.

#### Petkoff Reinforcing Television

The presidential candidate of the Movement Toward Socialism (MAS), Teodoro Petkoff, reinforced his television presence this week through commercials. Petkoff achieved a substantial boost with his first television appearances, and at the close of the campaigning he has made a decisive turnaround, reaffirming the gains he has won among voters.

This week Teodoro Petkoff toured important cities of the state of Miranda such as Santa Lucia and Ocumare del Tuy. He presented his program for the Federal District, went to Ciudad Guayana, Portuguesa, Lara and Maracaibo, and presided over a dinner of professionals and technicians supporting his candidacy. He also attended the festival of change on the Boulevard de Sabana Grande.

### **Jose Vicente Constantly Active**

The candidate of the Alliance for Unity of the People, Jose Vicente Rangel, has continued the series of events he has held to bring his campaign to a close in the interior of the country.

Jose Vicente Rangel announced that he will conclude his campaign in Caracas next 25 November with a rally on Avenida Bolivar.

This week Jose Vicente Rangel held successful events in the interior, most notably in Guacara, Chichiriviche, Guasdualito, Barinas, San Cristobal, Merida and Valera. He also toured the states of Tachira, Barinas, Apure, Carabobo, Merida and Valera. He denounced the CIA's escalation of activities in Central America, and categorically condemned the invasion of Grenada. He also attended a Socialist Fatherland (PASO) dinner and toured some neighborhoods of Caracas. Jose Vicente Rangel has made some television appearances which have given him important exposure at the end of the electoral process. These appearances, in addition to his direct contacts, could enhance his standing considerably.

### **Other Candidates**

In this 29th week of the electoral campaign, the candidates of other sectors, the most important being Jorge Olavarria and Gonzalo Perez Hernandez, appeared on television constantly, with radio and press advertising as well. The remaining candidates have not had much public exposure, which is an indication of their financial weakness.

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CSO: 3348/46

## LUSINCHI ISSUES STATEMENT ON GRENADIAN SITUATION

Caracas EL DIARIO DE CARACAS in Spanish 27 Oct 83 p 2

[Article by Javier Conde]

[Text] Yesterday afternoon Jaime Lusinchi released his written position statement on the military landing and subsequent invasion of Grenada. The text reveals the differences between the Democratic Action (AD) candidate and former President Perez on this issue, the latter having termed the event "one of the most disastrous and serious errors of the Reagan administration" and the prelude to an invasion of Central America. Democratic Action as a party has not yet established an official position on the events on the Caribbean island.

Lusinchi spoke yesterday morning at a symposium sponsored by the Cavendes Foundation. Afterwards he met with the press and indicated that he would prepare a statement on the Grenada issue as soon as he consulted with the interim president of the party, Reinaldo Leandro Mora. A half-hour later he released the text of his position at the offices of LA ERMITA, where he was accompanied by former Foreign Minister Simon Alberto Consalvi and Jose Angel Ciliberto.

The statement reads as follows:

First. The events that have taken place on the island of Grenada in the past few days have greatly concerned us, given that this island is one of the Caribbean nations located closest to the shores of Venezuela, and because these events are at variance with what we understand to be proper political conduct. Following the overthrow and death of Prime Minister Maurice Bishop, the struggles for power among the leaders of the same political movement, and the coup by Gen Hudson Austin, Grenada underwent an abnormal and serious situation. President Bishop was moving toward the democratization of Grenada, and according to reports, this circumstance led to his overthrow by those who advocated a hard and intransigent stance, and therefore an openly dictatorial position.

Second. These events paved the way for a collective action by several Eastern Caribbean states; in effect, the organization of Eastern Caribbean nations requested military intervention in Grenada. Some Caribbean states participated in the intervention, but it was basically done by the United States.

Third. We are not unaware of the serious nature of these events or their implications. We are intransigent defenders of the principle of non-intervention. The struggle for spheres of influence between the superpowers, transferred right here to the Caribbean, and the goal of aligning small countries and attaining strategic control of them, have given rise to the events that are convulsing our region.

Fourth. Therefore, we feel that foreign intervention in Grenada should cease as soon as possible. This small Caribbean nation should have all guarantees of self-determination, without interference of any kind or origin.

Fifth. It is on the defense of these principles, and on their continued survival, that the stability of nations in this region depends and will always depend.

The AD candidate was asked if any action by the Contadora Group was called for. He responded that Contadora is "a forum for conversation" for the countries of the Caribbean and Central America, and in this regard the countries of the group should let their voices be heard. Lusinchi indicated that in conflicts in this complex area, "negotiated solutions must be sought."

He feels it is time the world powers stopped staging their conflicts in these Caribbean territories. "Certainly what lies at the bottom of all this is bipolar confrontation," he said.

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CSO: 3348/46

## CALDERA ON GRENADA, NORMALIZATION OF RELATIONS WITH CUBA

Caracas EL DIARIO DE CARACAS in Spanish 27 Oct 83 p 2

[Text] Social Christian (COPEI) presidential candidate Rafael Caldera denied that the conflict in Grenada could diminish the effectiveness of Contadora: "It combines the pressure of various countries, and they should make an even greater effort because if the situation worsens, the task of preventing escalation becomes even more urgent."

Caldera said, referring to the intervention in Grenada, that "it is necessary to include Cuba in the dialog," and responded affirmatively when asked if, upon winning the election, he would resume relations with Cuba. He remarked that the cold war "is heating up," and in response to accusations of a lukewarm reaction by COPEI to the intervention, he answered that one should read the threats made by Democratic Action (AD), "which cannot even be called lukewarm."

He indicated that the intervention in Grenada deserves special consideration, "since unlike other international events, "it is a kind of collective intervention in which the dominant party is the United States, but there is a curious political ingredient, the request by the Eastern Caribbean countries." He recalled the death of Bishop, and added that "of course, this intervention concerns and alarms us."

"Grenada became a conflict between the two superpowers. Venezuela should reaffirm its principles, giving them new life, and act in accordance with its constitutional tenets: A democracy that respects human rights should be established. All possible diplomatic efforts should be made to resolve this situation so that Grenada can be restored to full sovereignty, and to prevent this phenomenon from spreading to other countries in the area."

With regard to statements by Carlos Andres Perez, who commented that one result of the conflict could be to do away with the actions of the Contadora Group, Caldera disputed that assertion: "These serious events, far from mitigating the action of the Contadora countries, make them more necessary and urgent. Our countries standing alone could do very little beyond mere declarations of principle that would produce no results. Contadora combines the pressure of several countries, and they should make an even greater effort, because if the situation worsens, the task of preventing escalation becomes even more urgent."

"It would seem," said Caldera, "that the situation is becoming more tense; the cold war is beginning to heat up. I continue to maintain something I have been asserting for a long time: It is necessary to include Cuba in the dialog."

Later he reaffirmed his position: "We cannot overlook the fact that Cuba has interests of all kinds in Central America." The original question had been whether, if reelected to the presidency, he would resume relations with Havana.

When asked if the statements by Social Christian leaders concerning the intervention were lukewarm, "because there is pressure from the Social Christians who sympathize with Reagan's policy in Central America," he stated that "no one must have read all the statements, because those coming from Jaime Lusinchi's committee cannot even be called lukewarm. COPEI has assumed a serious attitude, reasserting its opposition to intervention and expressing its concern about the extension of the conflict in the area. It is taking a responsible position toward these affairs, which will certainly not be resolved with bombast."

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CSO: 3348/46

## ADMINISTRATION'S POSITION REGARDING IMF CONDITIONS VIEWED

Caracas EL DIARIO DE CARACAS in Spanish 27 Oct 83 p 46

[Text] In an economic program dated last 15 August, the financial agency insists that the consolidated public sector deficit for 1983 will be 19 billion bolivars, and for 1984 it will be 27 billion. The government points out that in order to overcome the deficit, it will have to increase the price of fuel and devalue the oil exchange rate to 6 bolivars.

Variable	Current Trends	IMF Recommendations	Venezuelan Position
Public Finance	Surplus at central government level. Consolidated public sector deficit is estimated at 11 billion bolivars for 1984. The final figures are being studied by OCEPRE, which already announced that the deficit will be around 6.6 billion bolivars.	Reduce deficit by cutting spending and increasing revenues. The 1984 deficit would be financed with additional revenues of 14 billion bolivars earned from the current exchange situation, and with an increase in fuel prices. The consolidated deficit is still estimated at 19 billion in 1983 and 27 billion in 1984.	Increase revenues by increasing the price of fuel on the domestic market and devaluing the oil exchange rate to 6 bolivars, which would provide additional net revenues of 14.1 billion bolivars. Reform the Income Tax, standardize tax brackets for moral persons, reduce exemptions. Reorient spending toward social and industrial infrastructure projects and housing. No more real spending cuts. More use of internal public debt instruments, paying market interest rate.
Oil Prices on Domestic Market	Study indicates that average prices are well below international levels. Average	Increase average price to \$25 per barrel during 1984. Set exchange rate at 6.50	Reject that recommendation. Raise price of liquid products to just \$12 per barrel

price of all liquid products is \$6.60 per barrel. Price of natural gas is \$1.55 per equivalent barrel of oil. bolivars, which would yield a price of 162.50 bolivars per barrel, and would yield an increase of 14.6 billion bolivars in Petroven's revenues. and gas to 4.50 per equivalent barrel of oil. Set exchange rate at 6 bolivars. These increases generate an additional 6.2 billion for liquid products and 1.2 billion more for gas.

Subsidies Gradual elimination. Total elimination.

Maintain the milk subsidy through a plan directly favoring the consumer. Establish a direct subsidy for consumers to cover other common dietary staples. Given the devaluation, existing subsidies should be carefully reviewed, including incentives for exports, Finexpo and other plans.

Exchange Rate System

Maintain system of 3 exchange rates in short term. Unify eventually. Multiple exchange rate system distorts efficient allocation of economic sources. Propose two alternatives: Move all categories from 4.30 to 6.50, and all categories at 6 to the free dollar. Eventually market should be unified. Second alternative is to cut the volume of transactions on the free market and expand the volume at the highest fixed exchange rate.

Current system must be simplified, but immediate unification is impossible. Initially move most essential goods to 6 bolivars. Raise exchange rate to pay private non-financial debt under a plan that would take future inflation into account. Maintain exchange controls on goods and especially capital movement.

Balance of Payments

Cut imports. Overall surplus and expand reserves. Danger of producing shortages if current import trend contin-

Eliminate direct restrictions on imports. Resume policy of freeing up trade, which was interrupted in latter half of 1982. Allow free movement of capital and

Simplify current import controls, particularly with regard to Margarita and banned products, whose total share in balance of payments

ues. Informal rationing of outgoing capital due to difficulty in obtaining foreign reserves.

prevent flight by restricting domestic credit. Whatever program is applied will be aimed at increasing international reserves of BCV and FIV by \$1 billion.

is small. Exert direct control over departing capital, because indirect control means paying too high a price in terms of restricting domestic credit, hindering real growth and increasing unemployment.

Monetary Policy

Turnaround in liquidity and rise in excess reserves of banking system.

BCV should reduce its domestic assets by 4.7 billion bolivars, primarily through a reduction of net credit to the public sector. Net credit from the BCV to banks should rise by only 200 million bolivars in 1984. If a program is agreed upon with the IMF, quarterly limits will be imposed on the growth of the BCV's domestic assets.

Moderate increases in domestic credit are necessary to reactivate the economy. Exchange control should prevent the increase in credit from being used to finance the departure of capital. It is unlikely that the increased liquidity will have a direct impact on prices because of the present excess capacity in the industrial sector and the growing level of unemployment.

Prices and Wages

Controlled prices. Decontrol prices, eliminating existing controls. Public sector should prevent nominal percent rise in CPI so far this year (3 percent rise in CPI in 7 months). Wages and salaries have followed the same trend due to excess supply on the labor market.

try to implement a similar restrictive policy in the private sector. Prices should go up by more than wages so as to cut the real wage of white- and blue-collar workers.

Controls must be maintained primarily due to the oligopolistic nature of major segments of the national market. However, flexibility is needed in setting prices to allow for increases in response to higher costs for imported inputs.

Foreign Debt

Considerable arrears in payment of interest on private debt. Minor

Public sector should not assume private debt or provide exchange guarantees for that debt. If

Government should assume private debt, but should guarantee the exchange rate to

problems in paying interest by state enterprises due to administrative problems or lack of funds. the government does guarantee the exchange rate, there should be a peaceful allocation of resources in the National Budget.

prevent insolvency and bankruptcy in some private firms. In the case of non-financial private firms, the exchange rate guarantee should include a premium related to the general level of prices.

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CSO: 3348/46

## DEBT REFINANCING CONTINUES TO BE POSTPONED

Caracas EL DIARIO DE CARACAS in Spanish 9 Oct 83 p 35

[Text] Between commissions and advisors, refinancing is delayed. The return of those principally responsible for government economic policies, Martiza Izaguirre, Arturo Sosa, and Leopoldo Diaz Bruzual, did not help to clarify the dark aspects of their activities in U.S. financial and political circles. The special commission could not get its heavy machinery started either.

If any qualifier could be given to the week that is ending, it would be without doubt "gloomy and mediocre," as people use to say about the weather in rainy countries. This was not the consequence of great political or economic operations, nor of plain and simple "bad work" on the part of the government representatives. It was rather the result of the sluggishness with which the so well-conceived "Regimen of Differential Exchange" (RECADI) has been functioning since last February.

Upon her return to Maiquetia on 1 October, Maritza Izaguirre did not seem very happy. The logical reason, in this case, besides the normal tiredness that trips abroad cause and the overburdened agendas that they entail, was obviously that the results of the negotiations in the United States were not completely favorable, and she knew it. In her statements to journalist Martha Aray of EL DIARIO DE CARACAS, the minister pointed out that Sosa had achieved his objective... the problem was to find out what the objective was.

If that goal was simply to get a new moratorium, of course, it had been achieved as the finance minister half confirmed a few days later. Sosa, in spite of the statements from New York creditors, assured the nation that the moratorium granted was for 120 days instead of 30. It seemed logical to think that Sosa was right, and that the bankers were right also. While the latter were concerned about Venezuela paying the overdue interests on time, the minister knew what he could do and that, as a consequence, there would be no difficulty in getting an automatic 90-day extension.

Sosa's first "success" was that the spread or surcharge imposed due to the moratoria agreed between the bankers and the nation was fixed at 1/8 percent interest--about \$17 million. His second "success" was that there definitely

would be no need for the IMF to intervene this year in the renegotiation process because the country would not have any problems meeting its balance of payments obligations. In fact, the three moratoria granted to Venezuela in 1983 could be considered already as the first effect of renegotiating the external debt.

#### Nervous Creditors

The context in which the conversations took place did not help Sosa and his team any, as it was pointed out last week in this column. The creditors are asking insistently (as Jose Suarez Nunez stated well in his note of last Sunday): Why is Venezuela so behind in the payments of its public and private interests? If the former are trapped in the spiderweb of Decree 2245, the latter have a more realistic and simple explanation: the problem is not the lack of dollars but that there are no bolivars to buy them.

Undoubtedly, the finance of many state companies are literally overburdened. They were that way before, but then they could resort to the external debt to compensate cash-flow deficits. After all, it was in this manner that the immeasurable, unregistered external debt was incurred, which put in ridicule even Sosa himself when he presented his figures, well below reality, in his first meeting with the creditor bankers.

He had to "consolidate" those debts in his office as the only means to calm the fearful bankers, who needed those fresh funds urgently to improve their liquidity. However, it remains to be seen in which way the centralized government can make the decentralized agencies and institutes pay the nation. It is supposed that funds have already been put aside to make those payments.

Another disturbing question that the creditors have is that regarding the payment of interests of the private external debt. In this case, however, the fact that the complicated regulations of Decree 2245 have become a headache for the Herrera administration is a mystery for nobody. In his explanations of 4 October Miguel Rodriguez Molina reported that the commission's activities had not begun yet because the businessmen still have to provide data such as their ISLR [Internal Revenue] declarations and the confirmation by external auditors to be added to the information given to RECAIDI. Besides, the commission will work with facts "summarized" by RECAIDI officials. People are starting to wonder if this would not be another way to confound the issue more and delay the process...

The new data to be added to the application form as well as the wait for the "summaries" to be made by RECAIDI officials, the "projection" in the list of random numbers, the delay for another day because of a "recommendation" of Minister Sosa, the endless discussion of a case in which Siex does not agree with the Central Bank or RECAIDI with the Bank Superintendent, the "appeal" to RECAIDI's Advisory Committee where Development can dissent from Finance and the BCV [Central Bank of Venezuela] from Cordiplan [Office of Coordination and Planning]-all of these can make the payment of interest arrive too late, when the creditors are already closing their doors to the business in question.

To get out of this jungle, the businessmen took to action, and last Thursday they met with the purpose of evaluating, discussing and proposing ideas. The objective was, according to Adan Celis, to present a "decree project" to the executive power which could serve as a legal frame for the new reality of the sector. Of course, this idea could crash against the wall of the Central Bank, the bureaucracy of RECADI or the deafness of the cabinet, which would not like to go back to the ominous moments of last February and March nor to the September disputes between those "for" and those "against" the private debt at 4.30 bolivars to the dollar. That will be left for President Herrera for breakfast next Monday morning.

For Minister Jose Ignacio Moreno Leon, the hour has come to represent his country and defend the little stability achieved in the balance of payments of 1983 due to the stability of the oil market in the first three quarters of this year.

The problems that have arisen in the spot market of Rotterdam, where the prices for light and medium crude oil have suffered a slight decrease, would also affect the negotiations with the creditor banks if, for example, the automatic extension of the last moratorium, to take place in less than 30 days, did not occur because of an unexpected "delay" in the payment of already overdue interests.

However, it may also happen that Venezuela could fall in the arms of the IMF much sooner than expected if, perhaps, the oil panic spreads all over the world due to an unusual fact, such as a considerable oversupply in moments of a climax in the demand.

Everybody knows that the stability of oil prices is a matter of a delicate equilibrium between supply (increasing) and demand (stable). Nobody can be deceived by telling him that there will be a significant betterment in the international oil market just because the United States economy is recovering.

In fact, all producers are like lying in wait for this surge in order to make massive sales to the U.S. But first the inventories purchased at \$32 a barrel would have to be consumed and replaced with new dollars at \$29, which is not bad business if one believes blindly that the market is going to expand and that the price will go over \$30.

Now more than ever any oversupply can mean a fast replenishment of inventories on the part of the international oil companies and the independent small refineries, which foretells a new fall of the market (and of the price) in the first quarter of 1984, when consumption decreases and with it the purchases of members, their partners, and the rest of the producers. And yet, everybody denounces the maneuvers of two or three Gulf countries aiming to place in a surreptitious way some of their excess production, as well as the perpetual attitude of the Nigerians.

The Venezuelan energy minister, more than anybody else, should become a real ruthless guardian in a market policy, a watchful observer particularly of the tendencies of supply and of the formation of inventories or their

replenishment. The recovery of the U.S. economy is no longer a myth, and the sellers of oil byproducts know it: they know that if they buy today at \$29, tomorrow they could sell in the international market at more than \$32 a barrel and obtain excellent benefits, as in past years, through the liquidation of inventories during the expansion of the demand for oil. Maybe it will be in that task that Moreno Leon can show his ability and expertise in his recently assumed post.

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## LUSINCHI ON DEBT REFINANCING, OTHER ISSUES

Caracas EL NACIONAL in Spanish 11 Oct 83 p D-1

[Article by Mario Villegas: "I Will Refinance the External Debt with Seriousness and Determination"]

[Text] AD's presidential candidate thinks that there is still a possibility of attaining favorable conditions for renegotiation.

Jaime Lusinchi, AD's presidential candidate, thinks that the exposition of Fedecamaras (Venezuelan Federation of Associations and Chambers of Commerce and Industry) was a grave one and that, nevertheless, those facts truly correspond to the seriousness of the country's situation.

Fedecamaras, the top business organization, warned about the possibility of collapse of the private sector if the government imposes a foreign exchange rate over 4.30 bolivars to the dollar for the payment of the external debt incurred before 18 February 1983. At the same time, it underlined the need for the executive power to take immediate action to confront the loss of confidence that exists in the nation, which could threaten the economy, the subsistence of millions of Venezuelans, and the institutional system.

For Lusinchi, it is evident that if the government does not assume responsibility in regard to the refinancing of the debt and the putting in order of the economic process, "A grave crisis is going to occur in the business sector, with its logical result of unemployment and unforeseeable social consequences."

"It is not a question of being prophets of doom or interpreting the situation in a catastrophic context, but this situation obviously should be a cause of concern, and the government should answer Fedecamaras, in essence, by assuming its responsibility, which is what it is supposed to do. One can foresee a very serious supply problem. I think that we are facing an escalation of the crisis if the government does not take the appropriate measures," he said.

Lusinchi formulated these declarations to the press in a luncheon offered to him by the Board of Directors of the Editora EL NACIONAL. The presidential candidate was accompanied by Gonzalo Barrios and Manuel Penalver, president and

secretary general of AD, respectively; Octavio Lepage, his campaign manager; Ramon J. Velazquez, senator; and former minister of Foreign Relations, Simon Alberto Consalvi. The guests were hosted personally by Jose Carta, Jose Calvo, and Miguel Henrique Otero Castillo, president, vicepresident, and executive director of the publishing company, respectively, as well as by Jose Ramon Medina, director of the newspaper EL NACIONAL.

In his interview, Lusinchi was asked about the measures or the plan that he would put into effect to achieve the refinancing of the external debt in the case that he were elected president in the next general elections.

"I believe," he said, "that to talk in detail about that at this moment would be unwise on our part. But I can state that we would assume the responsibility of refinancing the external debt with all seriousness and determination, and that we already have qualified teams working on this matter. We believe that there is still time to achieve acceptable conditions. It is a question of facing the situation. Of course, that would mean political responsibilities, and there lies the problem because neither the government nor its candidate want to take on the negative aspects that this assuming of responsibilities would bring in an election year."

#### Exaggerating Costs Is a Characteristic of COPEI

AD's candidate was pressed to declare the cost of his recent trip to Houston, which, according to Alvarez Paz, must have cost more than a million bolivars. Alvarez Paz also questioned Lusinchi's worthiness to receive the prize as "Illustrious Socioeducational Leader of the Americas" granted to him by the University of Houston.

In Lusinchi's judgment, those statements were "incredible, stingy, false, and churlish" because Alvarez Paz had referred to minor and inconsequential aspects, "The cost estimates did not surprise me because COPEI likes to exaggerate costs. That is the way COPEI behaves. Alvarez Paz is unable to think, for example, of how many of the people who accompanied me paid their own expenses."

Lusinchi did not want to talk about what he called petty details, but did stress the fact that he considered the homage from the University of Houston as a homage to Venezuela.

"I feel very sorry for Alvarez Paz, really! Poor guy! To what limits a person can go to obtain the favors of whoever grants power in COPEI! I understand perfectly well that he is in a fight against Eduardo Fernandez and 'Curielito.' However, that does not entitle him to make such allegations and absolutely childish statements," added Lusinchi.

#### What Is the Hurry to Get the General Secretariat?

You speak about infighting in COPEI, but in the last few days there have been some statements of leaders of your own party which revealed their aspirations

to get the general secretariat of AD. Everything would seem to indicate that the battle for this position has already started. What do you have to say about this?

"I realize that there have been some statements that I consider were made in a hurry and out of context, and logically untimely, because the renovation of the general secretariat has not been planned at this moment. The simplest observation one can make about the perspectives of the country and the party in the future is that the renovation of the party's leadership cannot take place before 1985. What is the hurry?"

#### Municipal Elections in April Would Be a Lesser Evil

The Supreme Electoral Council (CES) has agreed to hold municipal elections separately. In his previous visit to EL NACIONAL, AD's candidate declared that he considered those separate elections a foolishness. Yesterday he was asked if he still had the same opinion. This was his response:

"In the way they were formulated, away from the assuming of power of the new president, it was foolish. But if they are going to take place in April, that is a lesser evil. As a question of principle, I believe that it is good to have separate elections, but not in the same period of a new administration's takeover because, obviously, that would be an advantage for the government."

#### Taking Advantage

On another issue, Lusinchi expressed his concern about the way COPEI is taking advantage of the media. "COPEI is manipulating the trick of using small businesses that are not important as a screen to run TV commercials. I am one of those who think that TV time should be consolidated by the candidate, regardless of the number of organizations that support him." Lusinchi also stated another accusation: "I have been informed that COPEI has signed contracts for millions of bolivars with 59 radio stations in the country and that the CANT (National Telephone Company of Venezuela) is placing dead end lines to simultaneously transmit information starting October 23 or 24. I think the CSE should investigate that," he concluded.

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## FEDECAMARAS DEMANDS GIVEN FAVORABLE REVIEW

Caracas EL DIARIO DE CARACAS in Spanish 11 Oct 83 p 6

[Editorial: Warning]

[Text] In its boldest public declaration since this incomprehensible, 7-month old process of foreign exchange, financial, and economic crisis started, Fedecamaras (Venezuelan Federation of Associations and Chambers of Commerce and Industry) decided to make public its position on such matter.

In a brief speech, the president of the top business organization stated the following:

1. The private economic sector and the democratic political forces are endorsing the principle that the external debt of the private sector, which was incurred legitimately before 18 February 1983, must be recognized and paid at the exchange rate of 4.30 bolivars to the dollar;
2. Additional delays, or the refusal to pay it, constitutes a violation of the early promises of the executive power on this subject;
3. This could have two major consequences: it would provoke in the country a massive bankruptcy of enterprises which cannot cancel their external debts at the floating exchange rate, and it would encourage an unprecedented inflationary spiral;
4. The private sector, in spite of accounting for only 30 percent of the national economy, employs 2/3 of the labor force--around 2.5 million workers--of which a major part would become unemployed under those conditions;
5. Decree number 2245, which recognizes only interests and part of the principal of the debt of the non-financial sector, is totally inadequate to solve the problem. The frustration of Fedecamaras, which gathers "weeping" businessmen and "prophets of doom," must have been enormous to force it to address the nation directly on it. It was the first time in this 5-year plan that entrepreneurs have taken such action, caused by the already unbearable situation of delays in the decisionmaking process of debt renegotiation and recognition of the private external debt.

It had its origins in the irritating sight of the permanent conflicts between the Finance minister and the president of the Central Bank which, for all purposes, have paralyzed the nation. The "weeping" businessmen--who, unfortunately, were right in all of their predictions--invoked the urgency of the situation to request prompt and expeditious decisions on the part of the government regarding the present crisis, which is affecting not only the businessmen's economic and social rights, but everybody else's as well.

On other occasions, the expositions and suggestions of the business sector on matters of national interest have been underrated and disregarded, if not ridiculed, by the people responsible for the political leadership of the nation. As a consequence, Venezuela is suffering an incomprehensible drowsiness; hundreds of thousands of workers face the definite prospect of unemployment; and the country is facing tensions which could substantially alter the institutional order. Adan Celis' speech was not a demagogical, political or electoral one. It was a serious, restrained warning. The executive power would benefit by taking it into account as such.

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